



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

ARIZONA MUNICIPAL WATER USERS ASSOCIATION BOARD OF DIRECTORS

MEETING NOTICE AND AGENDA

June 25, 2026 – 11:00 a.m.

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

Access this [Link](#) to join via Zoom. Meeting ID: 865 3483 4377
(Option to join by phone: 602-753-0140, same Meeting ID as above)

A. Call to Order

B. General Business—Items for Discussion and Possible Action

1. Approval of the Minutes for the May 28, 2026 Meeting
2. Next Meeting Date: August 27, 2026 @ 11:00 a.m.
3. Post-2026 Colorado River Operations and Impacts for Arizona
4. Overview of Secure Water Arizona Program
5. ASU Groundwater CuRVE Project
6. 2026 Legislative Session
7. Consultant Agreement with Aarons & Monti LLC
8. Agreement with the University of Arizona for the Smartscape Program
9. Office Refurbishment and Reimbursements per Lease Agreement
10. Fiscal Year 2027 AMWUA Budget

C. Executive Director's Report

D. Future Agenda Items

E. Adjournment

*The order of the agenda may be altered or changed by the AMWUA Board of Directors. Members of the AMWUA Board of Directors may attend in person or by internet conferencing.
More information about AMWUA public meetings is available online at www.amwua.org/what-we-do/public-meetings, or by request.

Arizona Municipal Water Users Association

**BOARD OF DIRECTORS
MEETING MINUTES
May 28, 2026
HYBRID MEETING**

BOARD MEMBERS PRESENT

Mayor Scott Anderson, Gilbert, President
Vice Mayor Kesha Hodge Washington, Phoenix, Secretary/Treasurer
Vice Mayor Curtis Nielson, Avondale
Councilmember Matt Orlando, Chandler
Mayor Lisa Borowsky, Scottsdale
Councilmember Nikki Amberg, Tempe

BOARD MEMBERS NOT PRESENT

Mayor Mark Freeman, Mesa, Vice President - Briefly Present
Councilmember Jennifer Crawford, Peoria
Councilmember Bart Turner, Glendale – Briefly Present
Councilmember Laura Kaino, Goodyear

AMWUA STAFF PRESENT

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

A. Call to Order

Mayor Scott Anderson called the meeting to order at 11:02 a.m.

B. General Business – Items for Discussion and Possible Action

1. Approval of the Minutes from the April 23, 2026, Meeting

Upon a motion by Vice Mayor Kesha Hodge Washington, seconded by Vice Mayor Curtis Nielson the AMWUA Board of Directors unanimously approved the meeting minutes from April 23, 2026.

2. [Next Meeting Date: Thursday, August 27, 2026 @ 11:00 a.m.](#)

3. [Post-2026 Colorado River Operations](#)

Paul Bergelin, AMWUA Water Policy Advisor, provided an update on Colorado River conditions, noting that the Basin continues to experience extremely poor hydrologic conditions and historically low snowpack and runoff. Actions are being taken to stabilize Lake Powell, but reduced releases are expected to further reduce Lake Mead levels and hydropower generation. Mr. Bergelin stated that while a potential El Niño winter could bring additional precipitation, it is not expected to significantly alter the Colorado River's long-term challenges. He also reviewed the Bureau of Reclamation's proposed 10-year management framework, which could result in significant Lower Basin water reductions, including impacts to CAP deliveries in Arizona. Mr. Bergelin highlighted the Secure Water Arizona Program (SWAP), and emphasized the need for continued conservation, regional collaboration, and development of new water supplies to ensure Arizona's long-term water security.

Vice Mayor Curtis Nielson asked whether the SWAP program would require legislative approval or if it could be implemented through agreements among participating water providers. Mr. Bergelin responded that SWAP would consist of a series of arrangements among participating parties. Whether future legislation may be necessary depending on the measures ultimately included in the program is not known at this time.

Warren Tenney, AMWUA Executive Director, added that SWAP was envisioned primarily to assist communities in the Phoenix and Tucson metropolitan areas by helping ensure cities can continue meeting water demands during Colorado River reductions. Mr. Tenney noted the program is intended to support cities that are more dependent on Colorado River supplies and emphasized that participation would be voluntary to accommodate each city's unique water portfolio and needs.

Mr. Tenney further commented that while the updates continue to contain difficult news, it is important to acknowledge the reality of the situation and focus on constructive solutions. He emphasized that Arizona cannot rely solely on the hope of a wet winter and must continue planning for a future with less Colorado River water.

Mr. Tenney stressed the importance of demonstrating to residents, businesses, investors, and the media that Arizona is actively developing new water supplies, investing in long-term solutions, and working collaboratively to ensure the state's future water security.

4. [2026 Legislative Session](#)

Aly Slobodzian, AMWUA Government Relations Director, provided a legislative update, noting that a partisan budget was vetoed and bipartisan budget negotiations remain

ongoing. Legislators are expected to return on June 1, when movement on water-related legislation is anticipated.

Ms. Slobodzian highlighted concerns regarding proposed reductions to ADWR funding, the lack of additional funding for the Colorado River Litigation Fund and continued sweeps of WIFA funding. She reported that AMWUA coordinated a coalition of 33 stakeholder organizations to advocate against further WIFA cuts and support Arizona's long-term water security. AMWUA will continue monitoring budget negotiations and provide updates as more information becomes available.

5. Arizona Water Banking Authority Firming Responsibility

Mr. Bergelin provided an overview of the Arizona Water Banking Authority (AWBA) and its role in offsetting Colorado River shortages for CAP municipal and industrial subcontractors. He noted that the AWBA has stored approximately 1.6 million acre-feet of water for firming purposes but currently lacks a clear plan for addressing shortages beyond 2026.

Mr. Bergelin reported that AMWUA sent a letter to the AWBA Commission requesting consultation with subcontractors and a long-term firming strategy for 2027 and beyond. While no formal response has been received, discussions appear to be moving forward, with additional meetings expected this summer.

Vice Mayor Curtis Nielson asked about the four-cent water storage tax. Mr. Bergelin explained that the tax helps fund the storage of excess CAP water and that any credits created with those funds must remain in the county where they were collected. Mr. Tenney added that the tax may also be used for CAP-related obligations and supports the AWBA's efforts to create and manage long-term storage credits.

6. Fiscal Year 2026 Financial Statements – Third Quarter

Mr. Tenney presented the third-quarter financial statements and reported that AMWUA was under budget by \$162,139 as of March 31, primarily due to a vacant position and related personnel cost savings. Mr. Tenney noted that the Management Board recommended acceptance of the financial statements as presented.

Upon a motion by Vice Mayor Kesha Hodge Washington, seconded by Vice Mayor Curtis Nielson, the AMWUA Board of Directors unanimously approved the third-quarter financial statements as presented.

7. Proposed Fiscal Year 2027 Budget

Mr. Tenney, presented the proposed Fiscal Year 2027 budget of \$1,901,717, representing an increase of \$32,287, or 1.7%, over the current fiscal year budget. He

noted that the modest increase is primarily due to continuing the KTAR Water Watch media partnership while leaving the Water Policy Analyst position vacant.

Mr. Tenney reported that AMWUA expects a carryover of approximately \$190,000 from the current fiscal year, which will offset expenses and result in lower membership assessments for Fiscal Year 2027. He highlighted increases related to office lease costs, software subscriptions, insurance, training, legislative resources, and public outreach efforts, while emphasizing AMWUA's commitment to fiscal responsibility and long-term water education and conservation initiatives.

The proposed budget was presented for review and feedback and will return to the Board in June for formal consideration and adoption.

C. Executive Director's Report

Mr. Tenney reported that SRP's reservoir system is currently 53% full, compared to 66% one year ago. He also shared encouraging results from a recent statewide poll showing that water supply and Colorado River protection are Arizona voters' top legislative priorities, with strong bipartisan support for investing in long-term water security. Additionally, he highlighted positive recognition of AMWUA's Arizona Desert Landscape Plants publication after a Las Vegas resident ordered copies to share with a local gardening club.

D. Future Agenda Items

No future agenda items were requested.

E. Adjournment

Mayor Scott Anderson adjourned the meeting at 11:59 a.m.

AMWUA BOARD OF DIRECTORS
INFORMATION SUMMARY
June 25, 2026

Post-2026 Colorado River Operations and Impacts for Arizona

ANNUAL PLAN REFERENCE

Sustainable Water Management

Promote policies and actions to sustain and safeguard members' water resources by preparing for Colorado River reductions and managing a stressed aquifer.

- Analyze and evaluate developments related to post-2026 Colorado River operations and their implications for CAP deliveries in 2027.

SUMMARY

As of this writing, Reclamation has yet to issue the Final Environmental Impact Statement for post-2026 Colorado River operations. Reclamation has signaled it intends to use a 10-year framework and would adopt plans to determine deliveries every two years. Releases from Lake Powell would range from 5 to 12 million acre-feet. Reductions would be up to 3 million acre-feet, which would occur only in the Lower Basin and be applied by priority, which means CAP users would be cut first.

The Lower Basin States continue to discuss with Reclamation utilizing their recent proposal for the first two years of Reclamation's 10-year framework. The Lower Basin States have proposed that they would take 1.25 MAF of reductions in 2027 and 2028, which would be distributed similar to what they had previously proposed. Arizona would take a 760,000 AF cut, which would reduce deliveries to Central Arizona Project (CAP) Municipal & Industrial (M&I) subcontracts by 20%. Additionally, the Lower Basin States proposed to conserve at least 700,000 AF in Lake Mead over this two-year period; Arizona is expected to provide a minimum contribution of 300,000 AF. The Lower Basin Proposal would also extend the current framework for Intentionally Created Surplus (with some modifications), establish a Tribal Pool, and revise how releases from the Upper Initial Units and Lake Powell will be handled.

This proposal is intended to prop up Lake Mead, particularly through the sizeable reductions and contributions from California that does not place all the burden on Arizona. It remains unknown whether Reclamation will accept the Lower Basin States' proposal in conjunction with Reclamation's intended preferred alternative for post-2026 operations. As it stands, Reclamation has taken issue with various aspects of the Lower Basin Proposal, including releases from Lake Powell and framework for new Intentionally Created Surplus. It is not yet clear if the Lower Basin States and Reclamation will reach agreement.

AMWUA BOARD OF DIRECTORS
INFORMATION SUMMARY
June 25, 2026

Overview of Secure Water Arizona Program

ANNUAL PLAN REFERENCE

Sustainable Water Management

Promote policies and actions to sustain and safeguard members' water resources by preparing for Colorado River reductions and managing a stressed aquifer.

- Analyze and evaluate developments related to post-2026 Colorado River operations and their implications for CAP deliveries in 2027.
- Pursue policies that allow flexibility for municipal providers to utilize supplies and meet demands during Colorado River shortages while protecting the aquifer.

SUMMARY

Phoenix and Tucson developed the Secure Water Arizona Program (SWAP) to allow municipal providers and others to mutually aid each other during severe Colorado River reductions that will be more likely post-2026. SWAP is a voluntary program that would enable participants to reduce the impacts of shortage based on their individual water supply portfolios. SWAP includes an emergency reserve to prevent wet-water emergencies that Phoenix and Tucson are willing to stand up. The program could also facilitate opportunities for user-funded arrangements such as conservation programs with on-river irrigation districts.

Phoenix staff will give an overview about benefits and mechanisms for SWAP.

RECOMMENDATION

The AMWUA Board of Directors is requested to ask questions and discuss the Secure Water Arizona Program.

AMWUA BOARD OF DIRECTORS
INFORMATION SUMMARY
June 25, 2026

ASU Groundwater CuRVE Project

ANNUAL PLAN REFERENCE

Sustainable Water Management

Promote policies and actions to sustain and safeguard members' water resources by preparing for Colorado River reductions and managing a stressed aquifer.

- Analyze and evaluate developments related to post-2026 Colorado River operations and their implications for CAP deliveries in 2027.
- Develop strategies for coordinating recovery to ensure aquifer sustainability in a post-2026 Colorado River world.

SUMMARY

Sarah Porter of Arizona State University's Kyl Center will provide a presentation about ASU's analysis of the impact that Colorado River reductions will have on the aquifer over time. This is part of the ASU Colorado River Visualization Enterprise (the CuRVE Project) to model the impacts to Arizona of various Colorado River climate, hydrologic, and management scenarios.

RECOMMENDATION

The AMWUA Board of Directors is requested to ask questions and discuss the ASU Groundwater CuRVE Project.

AMWUA BOARD OF DIRECTORS

INFORMATION SUMMARY

June 25, 2026

2026 Legislative Session

ANNUAL PLAN REFERENCE

Legislation

Effectively advocate with one voice at the Legislature.

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

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

SUMMARY

The legislature adjourned *sine dies* at 4:45am on Saturday, June 13th after passing an \$18.3 billion budget and sending some of the remaining legislation to either the Governor's desk or the November ballot for voter consideration. The 2026 session saw a record-breaking 2,190 bills, resolutions, or memorials introduced, with the first "HB 4001" in Arizona history. 122 bills were water-related, with AMWUA taking positions on 33 of these.

Some legislation threatened to sow more instability for municipal water providers and their water users, despite uncertain Colorado River cuts looming after 2026. Three separate pieces of legislation attempted to prevent municipalities from raising rates for four years, with two versions designed to circumvent the governor's veto pen (HB 4030, HCR 2016, and HCR 2052). Additionally, an amended version of HB 2027 jeopardized municipal and private water providers' Designations of Assured Water Supply while also undermining CAGR. Other bills targeted cities' ability to store water (HB 2099), removed municipal water providers' agency to set rates (HB 2328), restricted where Colorado River water could be replenished (HB 2263), or overwhelmed CAGR with replenishment obligation it could not meet without providing new supplies (SB 1288). All of these legislative attempts were soundly defeated before reaching the Governor's desk.

Other bills attempted to address Arizona's long-term water future and position among the seven Basin States. The legislature introduced a resolution in support of a seven-state agreement on post-2026 Colorado River operations, though that optimism had fizzled by March (HCR 2038). Another concept, reworked from the previous session, attempted to provide a way for

developers to utilize long-term storage credits sold by municipal water providers to obtain Certificates of Assured Water Supply without relying on groundwater pumping alone. However, the proposal did not identify supplemental water supplies critical for CAGR to fulfill the additional replenishment obligation, which ultimately made the bill unworkable. Finally, a pair of bills attempted to clarify the groundwater transportation requirements initially established in the 1991 Groundwater Transportation Act for Butler Valley and McMullen Valley (HB 2757 and HB 2758). While neither bill moved forward, the legislation opened the door for continued conversation among water providers and other stakeholders on the role transportation basins play in maintaining Arizona's future water security as the state prepares for significant cuts.

Other legislation AMWUA supported added stronger protections for utility workers, including cities' water services employees, against aggravated assault (SB 1448), reduced administrative burden for WIFA and extended water supply development opportunities for rural communities (SB 1560), and extended financial incentives for municipalities that bring in significant economic development projects that are reinvested back into new necessary infrastructure, including water and wastewater facilities (HB 4026). These bills did pass the legislature.

Finally, many of AMWUA's priorities were integrated into the budget, including keeping WIFA's Long-Term Augmentation intact after three consecutive years of sweeps and an additional \$6 million appropriation to the Colorado River litigation fund, bringing the state's legal war chest to \$9 million total (HB 2116). Other components, however, were not included or cut, namely ADEQ's statutory authority over Advanced Water Purification and a \$20M cut to WIFA's rural-focused Water Supply Development Fund.

At the June 25th Board meeting, AMWUA staff will review the 2026 legislative session and will be prepared to answer questions or provide clarification.

RECOMMENDATION

The Board of Directors is requested to ask questions and provide comments on the overview of the 2026 legislative session presented at the June 25, 2026 meeting.

2026 AMWUA Priority Legislation Overview

INCLUDED IN THE BUDGET

[HB 2116](#) - appropriation; Colorado River litigation fund (Griffin) – **Support**

[HB 4026](#) - public infrastructure improvements; distribution limit (Carbone) – **Support**

ON THE GOVERNOR'S DESK

[SB 1335](#) - NOW: groundwater savings credits; irrigation (Griffin) – **Watch**

[SB 1448](#) - aggravated assault; utility workers (Shope) – **Support**

[SB 1560](#) - cap; water supply development fund (Dunn) – **Support**

VETOED BY THE GOVERNOR

[HB 2026](#) - assured water supply; commingling (Griffin) – **Oppose**

[HB 2985](#) - CAP water; state land; allocation (Griffin) – **Oppose**

FAILED TO PASS THE LEGISLATURE

[HB 2027](#) - physical availability; review; designated providers (Griffin) – **Oppose**

[HB 2052](#) - management plan; water loss; percent (Griffin) – **Oppose**

[HB 2094](#) - assured water supply; certificate; model (Griffin) – **Oppose**

[HB 2095](#) - assured water supply; well depth (Griffin) – **Oppose**

[HB 2099](#) - long-term storage credits; shortage; prohibition (Griffin) – **Oppose**

[HB 2146](#) - mesquite; drought tolerant plants; prohibition (Griffin) – **Oppose**

[HB 2185](#) - homeowners' associations; lawns; drought (Willoughby) – **Support**

[HB 2263](#) - Colorado River water; replenishment; restriction (Griffin) – **Oppose**

[HB 2328](#) - municipal corporations; water supply; rates (Marshall) – **Oppose**

[HB 2492](#) - urban growth boundaries; prohibition (Taylor) – **Oppose**

[HB 2757](#) - Butler Valley; La Paz; groundwater (Griffin) – **Oppose**

[HB 2758](#) - McMullen Valley; eligible entities; groundwater (Griffin) – **Support**

[HB 4030](#) - rates; fees; taxes; increase; moratorium (Olson) – **Oppose**

[HB 4100](#) - municipal water providers; notice; rates (Kolodin) – **Oppose**

[HCR 2016](#) - NOW: fees; taxes; freeze; affordability (Hoffman) – **Oppose**

[HCR 2038](#) - Colorado River; seven-state agreement (Griffin) – **Support**

[HCR 2052](#) - rates; fees; taxes; increases; moratorium (Olson) – **Oppose**

[SB 1176](#) - stormwater storage; replenishment credits (Petersen) – **Oppose**

[SB 1200](#) - NOW: bodies of water; effluent; landscaping (Griffin) – **Watch, opposition removed**

[SB 1201](#) - long-term storage credits; shortage; prohibition. (Shope) – **Oppose**

[SB 1288](#) - assured water supply; analysis; availability (Dunn) – **Oppose**

[SB 1785](#) - water storage facility; withdrawals; area (Petersen) – **Oppose**

ADEQ statutory authority over Advanced Water Purification – **Watch**

AMWUA BOARD OF DIRECTORS

INFORMATION SUMMARY

June 25, 2026

Consultant Agreement with Aarons & Monti LLC

ANNUAL PLAN REFERENCE

Legislation

Actively advocate for the municipal water perspective at the Legislature.

- Engage in state and federal legislation aligned with the Legislative Agenda and our members' collective interests.
- Position AMWUA as the premier voice on municipal water issues at the Legislature.

SUMMARY

AMWUA has utilized The Aarons Company, now known as Aarons & Monti, as its contract lobbyist at the Arizona Legislature. Barry Aarons, Theresa Ulmer, and Michael Monti have represented AMWUA at the Legislature for 13 years, where they are well respected at the Capitol. Their expertise and initiative on water-related legislation provided a productive partnership with Aly Slobodzian, who started this session as AMWUA's in-house Governmental Relations Manager.

The current agreement expires on June 30, 2026. AMWUA staff believes it would be beneficial to retain Aarons & Monti as AMWUA's outside legislative consultant. The new agreement would have Aarons & Monti under contract through June 30, 2027, which would cover the next legislative session. The monthly fee would remain at \$4,500. The AMWUA Fiscal Year 2027 budget includes funds for this agreement.

RECOMMENDATION

AMWUA staff recommends that the AMWUA Board of Directors authorize the AMWUA Executive Director to enter into the proposed agreement with Aarons & Monti LLC at a monthly rate of \$4,500 from July 1, 2026 through June 30, 2027.

SUGGESTED MOTION

I move to authorize the AMWUA Executive Director to enter into the proposed agreement with Aarons & Monti LLC.

ATTACHMENT

- Aarons & Monti LLC Agreement



4315 North 12th Street, Suite 200, Phoenix, Arizona 85014

Barry M. Aarons – baaronsaz@gmail.com – cell 602.315.0155

Michael L. Monti – mlmontiaz@gmail.com – cell 480.212.6902

Christen Monti – cmontiaz@gmail.com – cell 480.647.4065

CONSULTANT’S AGREEMENT

This Consultant’s Agreement (the “Agreement”) is made and entered into between the Arizona Municipal Water Users Association 3003 N. Central, Suite 1550 Phoenix, AZ 85012 (herein after called “AMWUA”) and Aarons & Monti LLC, 4315 N. 12th Street Suite 200, Phoenix, Arizona 85014 (herein after called “A&M”).

Both AMWUA and A&M agree as follows:

Appointment. AMWUA appoints A&M to render services as described herein. A&M accepts such appointment and agrees to perform such services to the full extent of its ability.

Term. The term of this Agreement shall commence July 1, 2026 and conclude on June 30, 2027 but may be extended for up to one additional fiscal year by mutual written agreement between the AMWUA’s Executive Director or designee and any duly authorized owner, member, manager, or director of A&M.

Duties and Responsibilities.

A&M agrees to represent AMWUA as follows:

- Provide advocacy, monitoring and evaluation of legislation before the Arizona Legislature and its impact on AMWUA.
- Attend legislative committee hearings, stakeholder meetings and other such meetings and to articulate the position of AMWUA on legislation being considered before committees and meetings.
- Prepare and distribute update reports at the direction of AMWUA.
- A&M will report directly to the AMWUA Executive Director or designee.

Compliance and Ethical Standards. A&M shall comply with all standards of conduct pursuant to the laws of the United States and the laws of the State of Arizona under which A&M undertakes activities on behalf of AMWUA.

A&M acknowledges and agrees that any failure to comply with such standards of conduct described above shall result in the waiver and release of AMWUA from any liability resulting from A&M’s actions and/or activities and may further result as cause for termination of this Agreement for just and substantial clause by AMWUA pursuant to Section 7 below.

Confidentiality. If during the term of this appointment, AMWUA provides A&M with information that is designated as confidential, A&M agrees to keep the material confidential, use the confidential information only to perform services under this Agreement and return any confidential materials upon termination of the contract or, if earlier, upon request of AMWUA’s Executive Director.

Compensation. AMWUA shall pay A&M a retainer for the services described herein in the amount of \$4,500.00 per month upon receipt of invoice and payable on or before the 30th of each month. Compensation will commence in July of 2026 and conclude in June of 2027 or under such extended deadline agreed upon in accordance with Section 2 above of this Agreement.

- Expenses: A&M shall be reimbursed for normal and customary expenses incurred by it for postage, printing, courier and other communication charges reasonably incurred in the performance of its duties and responsibilities. Any extraordinary expenses not previously mentioned including travel, meals and entertainment must have prior written approval from AMWUA’s Executive Director, his designee or successor prior to their being incurred or AMWUA will not be responsible for their reimbursement.

Termination. Either party may terminate this contract for any reason by mutual consent at any time. A&M’s contract may also be terminated for just and substantial cause. “Just and substantial cause” shall mean (i) refusal to perform duties assigned in accordance with the terms of this Agreement or overt and willful disobedience of assignments made there under, (ii) conviction of commission of illegal acts in connection with performance of Consultant’s duties and responsibilities, or (iii) violation of the compliance and ethical standards set forth in Section 4 of this Agreement.

Reports. A&M will render reports from time to time upon request of AMWUA’s Executive Director or designee reflecting status of its duties and responsibilities as outlined in this Agreement.

Interpretation. This Agreement embodies the entire agreement and understanding of the parties in relation to the subject matter thereof and may be modified only by a written document signed by AMWUA’s Executive Director or designee and any duly authorized owner, member, manager, or director of A&M. This Agreement and all terms hereof shall be in conformity with, and interpreted according to, the laws of the State of Arizona.

Notices. Any reports, notices, requests, demands, or other communications hereunder shall be delivered in writing by USPS mail or e-mail to AMWUA and A&M as follows:

For AMWUA:	For A&M:
Warren Tenney, Executive Director Arizona Municipal Water Users Association 3003 N. Central Avenue, Suite 1550 Phoenix, AZ 85012 phone: 602.248.8482 cell: 520.904.0743 wtenney@amwua.org	Michael L. Monti Aarons & Monti LLC 4315 N. 12th Street, Suite 200 Phoenix, AZ 85014 cell: 480.212.6902 mlmontiaz@gmail.com

Warren Tenney – Date
Arizona Municipal Water Users Association

 5/27/26

Michael L. Monti – Date
Aarons & Monti LLC

AMWUA MANAGEMENT BOARD

INFORMATION SUMMARY

June 25, 2026

Agreement with the University of Arizona for the Smartscape Program

ANNUAL PLAN REFERENCE

Demand Management

Help cities respond swiftly and effectively during drought and shortage by maximizing demand management.

- Strengthen coordinated implementation of demand management actions across members and increase engagement in state and national policy discussions.

SUMMARY

Since 2009, AMWUA has partnered with the University of Arizona Cooperative Extension to administer Smartscape, a training program that supports water-efficient landscape design, irrigation, and maintenance practices. Smartscape helps AMWUA members improve outdoor water efficiency, reduce future water demand, and support long-term water sustainability.

During Fiscal Year 2026, AMWUA and the University of Arizona began realigning Smartscape to better support member conservation and demand management priorities through curriculum updates, expanded outreach, and improved program evaluation.

In Fiscal Year 2027, Smartscape will support AMWUA's broader goals to translate best practices and research into practical demand management and conservation strategies by:

- Delivering core, Spanish-language, and advanced Smartscape trainings.
- Updating curriculum to address irrigation efficiency, large-landscape management, drought preparedness, and urban forestry.
- Expanding outreach to landscape professionals, HOAs, and property managers.
- Improving program evaluation to better measure outcomes and support future program development.

The program is funded through AMWUA's Conservation & Efficiency budget and ADWR's Water Management Assistance Program. AMWUA is seeking approval to enter into another one-year agreement with the University of Arizona for continued implementation of Smartscape.

RECOMMENDATION

The AMWUA Management Board recommends that the AMWUA Board of Directors approve the Executive Director's ability to enter into the one-year agreement between AMWUA and the University of Arizona for implementation of the Smartscape program in Fiscal Year 2027.

SUGGESTED MOTION

I move that the AMWUA Board of Directors approve the Executive Director's ability to enter into the one-year agreement between AMWUA and the University of Arizona for implementation of the Smartscape program in Fiscal Year 2027.

ATTACHMENT

- Agreement between AMWUA and the University of Arizona

UNIVERSITY OF ARIZONA SERVICES AGREEMENT

This Agreement is effective on the date of the last authorized signature below (the "Effective Date"), between the Arizona Board of Regents (ABOR) for The University of Arizona (UNIVERSITY) and the Arizona Municipal Water Users Association, (SPONSOR) a non-profit corporation having a principal place of business at 3003 N. Central Avenue, Suite 1550, Phoenix, AZ 85012, and also known as the Party or Parties.

WHEREAS, SPONSOR desires UNIVERSITY to perform certain services for a project entitled Smartscape ("Project"), and is willing to provide funds for such Project; and

WHEREAS, UNIVERSITY is willing to undertake such Project, and to provide such resources as may be necessary.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, SPONSOR and UNIVERSITY agree as follows:

1. **Project Director**

The Project will be under the supervision and direction of Emily Webb, a UNIVERSITY employee; Maricopa County Cooperative Extension.

2. **Billing and Payment**

The SPONSOR will provide UNIVERSITY the sum of \$48,000 by July 1, 2026 for the period of July 1, 2026 through June 30, 2027. This agreement type is:

X FIXED PRICE

Invoices will be sent to the following address of the SPONSOR:

Arizona Municipal Water Users Association
3003 North Central Avenue, Suite 1550
Phoenix, Arizona 85012

Payment by SPONSOR shall be made within 30 days of receipt of invoices from UNIVERSITY. Checks shall be made payable only to The University of Arizona and shall identify this Agreement or a UNIVERSITY invoice. Checks should NOT be made payable to or identify individuals.

Payments shall be sent to the following addresses:

If sent by US Mail:

Sponsored Projects Services
PO Box 210158B, Rm 538
Tucson, Arizona 85719-0158

If sent by overnight delivery service:

UArizona - Sponsored Projects Services
2100 E Speedway Blvd, #41867 Tucson AZ, 85717
(520) 621-6000

University of Arizona EIN number is 74-2652689.

3. **Scope of Work and Deliverables**

The UNIVERSITY will be responsible for the following activities, which will be conducted through the Cooperative Extension office, Maricopa County. Deliverables are contingent on successful support from Arizona Municipal Water Users Association in the amount of \$56,448.00 for the period of July 1, 2026 – June 30, 2027.

A. Training Implementation and Curriculum Refinement

- Implement a minimum of two 30-hour Smartscape courses per fiscal year, utilizing established curriculum and local experts to present the classes.
- Implement a minimum of one 30-hour Spanish Smartscape course per fiscal year.
- Implement a minimum of one Advanced Smartscape: Irrigation course per fiscal year.
- Implement a minimum of one Advanced Smartscape: Plant Materials course per fiscal year.
- Implement a minimum of one Advanced Smartscape: Urban Forest Management course per fiscal year.
- Develop and implement a Smartscape course targeted towards HOAs and property managers to educate them on best management practices for water-efficient landscapes.
- Review and revise Smartscape curriculum, content, and materials of training courses as necessary, integrating current research-based University of Arizona, industry, and municipal documents.

- Continue to update the Smartscape Implementation Guide operating procedures manual.
- Develop Smartscape instructor roster/listing and identify potential instructor substitute/replacement availability.
-

B. Promotion

- Maintain the Smartscape website and social media sites, including links to AMWUA and ADWR, as well as the most current landscape industry and water conservation publications.
- Continue to provide guidelines to inform Smartscape graduates as to the appropriate use of the trademarked logo and ideas for marketing.
- Promote Smartscape training opportunities to landscape professionals and coordinate promotional efforts with industry organizations.
- Continue to provide information regarding local and national opportunities for landscape training and certification, including the role each plays and where each fits in the educational hierarchy.
- Coordinate promotional effort with AMWUA to include developing materials, information, and displays to educate consumers.
- Develop a promotional plan to advertise Smartscape classes to ensure that the industry is aware of training opportunities and that attendance is maximized.
- Develop a plan to promote hiring trained, certified landscape professionals, with a focus on Smartscape, to the public.
- Collaborate with AMWUA staff and the AMWUA Conservation & Efficiency Advisory Group to explore targeted-outreach opportunities for landscapers, HOAs, and property managers.
- Participate in public events and conferences such as the SRP Water Expo, Arbor Day events, Home & Garden Shows, and the Desert Horticulture, SHADE, and WaterSmart Innovations conferences.
- Provide Smartscape program updates to the AMWUA Conservation & Efficiency Advisory Group at least once per fiscal year to maintain their support and engagement in the program.
- Explore potential opportunities and methods to connect with HOAs and property management companies to educate them on best management practices for water-efficient landscapes.

C. Statewide Coordination

Coordinate efforts with Pima County Smartscape in order to ensure statewide program consistency. Overall course content and messaging should be consistent, with minor variations based on regional conditions. Collaborative content updates or revisions will be made as needed based upon University of Arizona research, or developments outlined by our respective sponsoring organizations, to maintain curriculum consistency and the

integrity of the training. This would also include other County Extension offices that develop a Smartscape program.

D. Quantifying Smartscape Impacts

Investigate methods to demonstrate the impacts and value of the Smartscape program. Possible approaches would be sending questionnaires to past participants or conducting interviews by phone or in the field. The latter would afford the opportunity to assess the application of Smartscape principles.

Contract Oversight

The SPONSOR will have the authority to review the program of work and materials to ensure that the program continues to meet the objectives of the SPONSOR.

Deliverables

A report of contract activities will be completed by the UNIVERSITY and submitted to the SPONSOR no later than December 31, 2026, and June 30, 2027. The report will include a summary of ongoing contract activities - trainings, overall course evaluations, promotion, and coordination.

Term of Agreement

This Agreement shall commence on the date of execution of the Agreement and continue through June 30, 2027. The Period of Performance may be extended upon the mutual agreement of both parties.

4. **Use of Facilities**

Insofar as the facilities of UNIVERSITY permit, UNIVERSITY will furnish facilities and such other equipment as may be reasonably required to perform this Agreement.

5. **Property Administration**

Upon termination of this Agreement, any equipment, material, or supplies remaining in stock will become the property of UNIVERSITY.

6. **Insurance and Liability**

The UNIVERSITY maintains general liability insurance and workmen's compensation coverage as required by state law and pertinent federal laws and regulations. In the event SPONSOR undertakes to perform any work on the Project on the premises of UNIVERSITY, then SPONSOR shall give assurances to UNIVERSITY of SPONSOR's adequate general liability insurance and workmen's compensation coverage. It is understood, however, that neither party to this Agreement is the agent of the other and neither is liable for the wrongful acts or negligence of the other.

7. **Reports**

After the Scope of Work is fully performed, and within the time period specified in the Scope of Work, UNIVERSITY will submit to the SPONSOR a detailed technical report of the activities carried out, as required. It is understood, however, that UNIVERSITY shall not be restricted from

publishing the results of this Project. When the results of the Project are published, UNIVERSITY agrees to acknowledge the support received from the SPONSOR.

8. **Confidential Information**

SPONSOR and UNIVERSITY may choose, from time to time, in connection with work contemplated under this Agreement, to disclose confidential information to each other. All such disclosures must be in writing and marked as Confidential Information. The Parties will use reasonable efforts to prevent the disclosure to unauthorized third parties of any Confidential Information of the other Party and will use such information only for the purposes of this Agreement, and for three (3) years after the termination of this Agreement, provided that the receiving Party's obligations hereunder shall not apply to information that:

- A. is already in the receiving Party's possession at the time of disclosure; or,
- B. is or later becomes part of the public domain through no fault of the receiving Party; or,
- C. is received from a third party with no duty of confidentiality to the disclosing party; or,
- D. was developed independently by the receiving party prior to disclosure; or,
- E. is required to be disclosed by law or regulation.

Any information that is transmitted orally or visually, in order to be protected hereunder, shall be identified as such by the disclosing party at the time of disclosure and identified in writing to the receiving party, as Confidential Information, within thirty (30) days after such oral or visual disclosure.

9. **Intellectual Property Rights**

Title to any trade secrets, inventions, developments, or discoveries, works of authorship, whether patentable or not (collectively referred to as "Intellectual Property"), resulting directly from the Scope of Work, shall be allocated according to applicable employment contracts and U. S. Patent Law (Title 35 U. S. Code) and U.S. Copyright Law (Title 17 U.S. Code) in effect at the time the Intellectual Property was created. For that Intellectual Property determined to be solely owned by UNIVERSITY, the SPONSOR is granted an option to negotiate a license, on reasonable terms, to such Intellectual Property, such option to be exercised within six (6) months of notification of the Intellectual Property. For that Intellectual Property determined to be jointly owned by SPONSOR and UNIVERSITY, an exclusive option is provided to SPONSOR to negotiate for an exclusive license, on reasonable terms, to UNIVERSITY's rights, such option to be exercised within six (6) months of notification of the Intellectual Property. For that Intellectual Property determined to be solely owned by SPONSOR, UNIVERSITY shall claim no rights. SPONSOR is granted a non-exclusive license, for internal use only, to all original works developed within the Scope of Work for which UNIVERSITY owns the copyright.

10. **Termination**

UNIVERSITY may terminate this Agreement at any time upon thirty (30) days written notice to SPONSOR, if: (a) if cost-reimbursement, funding for the Project is fully expended in accordance with the scope of work and deliverables; or (b) performance of the Project is completed; or (c) if

circumstances beyond its control preclude continuation of the Project, in which case, University shall refund to SPONSOR any unexpended funding for the Project as of the termination date. SPONSOR may terminate this Agreement at any time upon ninety (90) days written notice to UNIVERSITY if circumstances beyond its control preclude continuation of the Project. In the event that either Party shall commit any breach of or default in any of the terms or conditions of this Agreement, and also shall fail to remedy such default or breach within ninety (90) days after receipt of written notice thereof from the other Party hereto, the Party giving notice may, at its option and in addition to any other remedies which it may have at law or in equity, terminate this Agreement by sending notice of termination in writing to the other Party to such effect, and such termination shall be effective as of the date of the receipt of such notice. The defaulting Party shall be responsible for all costs and expenses associated with the termination and shall reimburse the non-defaulting Party for such.

11. **Arbitration**

In the event of a dispute hereunder that involves the sum of Fifty Thousand Dollars (\$50,000) or less, in money damages only, exclusive of interest, costs and attorneys' fees, the parties will submit the matter to binding arbitration pursuant to the Arizona Arbitration Act, ARS 12-1501, et seq., (the "Act") whose rules shall govern the interpretation, enforcement and proceedings pursuant to this paragraph. Except as otherwise provided in the Act, the decision of the arbitrator(s) shall be final and binding upon the parties.

12. **Conflict of Interest**

This Agreement is subject to the provisions of A.R.S. § 38-511 regarding Conflict of Interest. The State of Arizona may cancel this Agreement if any person significantly involved in negotiating, drafting, securing or obtaining this Agreement for or on behalf of the Arizona Board of Regents becomes an employee in any capacity of any other party or a consultant to any other party with reference to the subject matter of this Agreement while the Agreement or any extension thereof is in effect.

13. **State Obligation**

The Parties recognize that the performance by the Arizona Board of Regents on behalf of The University of Arizona may be dependent upon the appropriation of funds by the State Legislature of Arizona. Should the Legislature fail to appropriate the necessary funds or if the UNIVERSITY's appropriation is reduced during the fiscal year, the Board of Regents may reduce the scope of the agreement or cancel the agreement without further duty or obligation. The Board agrees to notify the SPONSOR as soon as reasonably possible after the unavailability of said funds comes to the Board's attention.

14. **Notices**

Notices shall be in writing and deemed effective when sent, postage prepaid to:

SPONSOR:

Arizona Municipal Water Users Association

3003 North Central Avenue, Suite 1550
Phoenix, Arizona 85012

UNIVERSITY:

For U.S. Postal Service:

SPONSORED PROJECTS SERVICES
PO Box 210158B, Rm 538
TUCSON AZ 85721-0158

For Fed Ex, UPS or other expedited delivery:

UArizona - Sponsored Projects Services
2100 E Speedway Blvd, #41867
TUCSON AZ 85717
Phone (520) 626-6000

15. **General Provisions.**

A. **Compliance**

The Parties agree to comply with the provisions of applicable State and Federal regulations governing Equal Employment Opportunity and Non-discrimination and Immigration.

B. **Non-competition**

This Project shall not involve competition with local business units that generally offer similar goods and services.

C. **Independence**

Permission to use UNIVERSITY facilities and other resources under this Agreement does not constitute endorsement by the UNIVERSITY of the SPONSOR's views or objectives.

D. **Audit**

It is understood that if the ultimate source of at least a portion of the SPONSOR's funds for this project is Federal, this Agreement is subject to Federal Audit.

E. **Entire Understanding**

This Agreement embodies the entire understanding of the Parties and supersedes any other agreement or understanding between the Parties relating to the subject matter hereof.

F. **Waiver, Amendment, Modification**

No waiver, amendment or modification of this Agreement shall be valid or binding unless written and signed by the Parties. Waiver by either Party of any breach or default of any clause of this Agreement by the other Party shall not operate as a waiver of any previous or future default or breach of the same or different clause of this Agreement.

G. Assignment

This Agreement may not be assigned by either Party without the prior written consent of the other Party, which consent will not be unreasonably withheld; provided that this Agreement shall be binding upon and inure to each Party's respective successors in interest.

H. Choice of Law

This Agreement shall be interpreted pursuant to the laws of the State of Arizona. Any arbitration or litigation between the parties shall be conducted in Pima County, Arizona, and SPONSOR hereby submits to venue and jurisdiction in Pima County, Arizona.

I. Severability

If any provision of the Agreement is held void or unenforceable, the remaining provisions shall nevertheless be effective, the intent being to effectuate the Agreement to the fullest extent possible.

J. Independent Contractors

The Parties are deemed independent contractors and may not bind each other, except as provided for herein or authorized in writing by the other Party.

The Arizona Board of Regents for and on behalf of The University of Arizona:

By: _____

Date: _____

Arizona Municipal Water Users Association:

By: _____

Date: _____

Name: _____

Title: _____

I have read this Agreement, and understand the obligations placed on me and my laboratory and other UNIVERSITY employees under my supervision and agree to be bound by it.

 _____

Date: 5/28/2026

Exhibits: A. Budget and Payments

The following budget represents the anticipated costs and funding for conducting the Scope of Work pursuant to this Agreement.

Program Year	Program Budget
07/01/2026 to 06/30/2027	\$48,000

The anticipated dates and amounts of payments are as follows:

<u>DATE</u>	<u>AMOUNT</u>
07/01/2026	\$ 48,000
<u>TOTAL</u>	<u>\$ 48,000</u>



AMWUA MANAGEMENT BOARD

INFORMATION SUMMARY

June 25, 2026

Office Refurbishment per Lease Agreement

OBJECTIVE

Maintain the daily operations of an effective organization and the services that members rely on by AMWUA continuing to wisely manage its financial resources and effectively develop its personnel as an agile team with organizational depth.

SUMMARY

The AMWUA office lease agreement, which was entered into in April 2021, allows certain office refurbishment expenses incurred during the fifth year of the lease term to be reimbursed by the landlord. Per the lease terms, AMWUA is required to remit payment for the approved work upfront and subsequently provide proof of completed work and payment documentation to the landlord for reimbursement.

AMWUA is eligible to utilize up to \$40,295 for office refurbishment. AMWUA staff has identified the replacement of the carpet throughout the office as an appropriate use of these funds. The existing carpet is the original carpet that has been in place since AMWUA began leasing the office space in November 2010. AMWUA has obtained an estimate of \$31,715 from Canyon Floors LLC for the proposed office carpet replacement project. Pursuant to the lease requirements, AMWUA is required to utilize a carpet company recommended by the property management company.

Per AMWUA's procurement policy, the Executive Director is authorized to execute contracts up to \$30,000 without approval from the Board of Directors. Therefore, the Executive Director is seeking approval to proceed with the carpet replacement project, even though the \$31,715 cost will be fully reimbursed by the property owner.

AMWUA staff intends to utilize the remaining refurbishment funds to replace the chairs in the Board Room and Small Conference Room.

RECOMMENDATION

The AMWUA Management Board recommends to the AMWUA Board of Directors the approval to use of \$31,715 to replace the office carpet, which will be reimbursed per AMWUA’s lease agreement.

SUGGESTED MOTION

I move that the AMWUA Board of Directors approve the use of \$31,715 to replace the office carpet, which will be reimbursed per AMWUA’s lease agreement.

AMWUA MANAGEMENT BOARD

INFORMATION SUMMARY

June 25, 2026

Fiscal Year 2027 AMWUA Budget

OBJECTIVE

Maintain the daily operations of an effective organization and the services that members rely on by AMWUA continuing to wisely manage its financial resources and effectively develop its personnel as an agile team with organizational depth.

SUMMARY

Attached is the Fiscal Year 2027 annual budget, which includes a summary page with comments to explain the increases or decreases for each line item. The proposed budget was presented in May to the AMWUA Board of Directors and the AMWUA Management Board. No comments or feedback were received regarding the Fiscal Year 2027 budget; therefore, no changes have been made to the budget line items.

Development of the Fiscal Year 2027 budget was guided by the Annual Action Plan for Fiscal Year 2027, which was approved in March by the AMWUA Board of Directors. This budget allows AMWUA to continue to be a forum for its members to collaborate on water resource and policy issues; to develop and advocate for the water security provided by our members; to promote key water policy issues with the Legislature, Arizona Department of Water Resources, Central Arizona Water Conservation District, Salt River Project, and other stakeholders including ensuring Arizona's long-term viability with post-2026 Colorado River reductions; and to be at the forefront of demand management and water conservation efforts.

Based on the Fiscal Year 2027 annual plan along with remaining fiscally responsible, the draft Fiscal Year 2027 budget totals \$1,901,717, which is an increase of \$32,287 (1.7%) from the current Fiscal Year 2026 budget. The increase to the budget will be offset by a projected carryover from the current budget of \$190,000, which will reduce the Fiscal Year 2027 membership assessments to be less than the current assessments. The following summarizes the budget categories and provides explanations for line items that have increased or decreased from the current budget.

Administration – This category includes salaries and Arizona State Retirement System (ASRS) contributions, reflecting a decrease of \$59,393 from the current budget.

For Fiscal Year 2027, the administration budget is to ensure that AMWUA has the necessary staff resources to carry forth its mission and annual plan and still be fiscally conservative. What AMWUA is able to accomplish is directly linked to its staff and their time and effort to perform.

- Seven full-time positions are included in the Fiscal Year 2027 budget – Executive Director, Water Policy Advisor, Communications Director, Governmental Relations Manager, Water Conservation & Demand Management Coordinator, SROG Manager, and Office Manager. These positions enable AMWUA to meet the actions outlined in the Fiscal Year 2027 annual plan.
- The administration budget is overall less because it does not include funding for the Water Policy Analyst position, which had been included in the current fiscal year budget but was not filled. Since it was determined that the annual plan can still be accomplished without filling that position, the Fiscal Year 2027 budget errs on being fiscally prudent. Plus, the current year budget did not include filling the previous Conservation Specialist position. AMWUA may want to revisit in subsequent fiscal years the addition of another team member as we better assess how AMWUA can support its members for a post-2026 water landscape.
- Salaries also include adjustments to ensure AMWUA remains competitive with compensating employees as well as due to performance awards received halfway through Fiscal Year 2026, which are now reflected in the 12 months of the Fiscal Year 2027 budget.
- Performance Awards – Up to 5% of the annual salary for each full-time employee, except the Executive Director, is recommended for employees who excel in their performance. The awards would occur halfway through Fiscal Year 2027.
- Arizona State Retirement – This line item reflects the Arizona State Retirement System contribution rate being 11.98% effective July 1, 2026.

Employee Benefits – This includes payroll processing, taxes, various insurances, and cell phone allowances. The main changes include:

- Payroll Processing, Taxes, Insurance – The \$11,515 decrease is based on processing fees and taxes, which are directly linked to salaries.
- Medical, Dental, Life, Disability Insurance – The amount is \$13,500 less than the current budget, which is based on the coverage for current employees for 12 months and not adding the Water Policy Analyst position. This line item also factors AMWUA's insurance broker's projection of a 10% increase for calendar year 2027.

Professional Services – This category includes outside services that AMWUA utilizes throughout the year, including legal, lobbying, and financial. The overall costs for these services basically remain the same as the current budget.

- Financial & Accounting Service – The \$3,800 increase is reflective of the agreement with CliftonLarsonAllen as AMWUA's financial consultant.
- Audit – The \$2,665 increase is reflective of the agreement with AMWUA's auditors, Forvis Mazar.

Occupancy – These items are related to the leasing of office and meeting space for AMWUA, as well as telephone and internet access.

- Office Space – The \$6,410 increase is per the AMWUA’s 10-year lease agreement that began April 1, 2021.
- Building Operating Costs – The shared maintenance costs for the office building have been higher than anticipated in the current fiscal year; therefore, the next year’s building operating costs are projected to increase by \$4,500 based on the estimated actual expenses for the current year.

Training and Travel – This category covers items related to staff participation in conferences, workshops, and training, along with the related travel expenses, including mileage reimbursement. With the addition of the Government Relations Director position, there is an increase for anticipated increased mileage reimbursement and for attending conferences. This overall category is increased by \$2,550.

Capital Outlay – This category covers AMWUA’s primary capital property, which includes the copier and computer hardware. The copy machine expenses are to decrease by \$250 due to a new negotiated agreement. The computer hardware line item is to remain the same.

Office Operating Expenses – This category, which includes items to cover AMWUA’s day-to-day office operating expenses, is seeing a sizeable overall increase of \$96,450 primarily due to the inclusion of AMWUA’s media partnership with KTAR, increase for software, addition of new memberships, and higher costs for liability and property damage insurances.

- Supplies – This category has been reduced by \$750 to align with anticipated purchases, while also accounting for potential cost increases for basic office supplies.
- Meetings – This line item covers expenses associated with meetings, including providing lunches following AMWUA Board and Management Board meetings, as well as refreshments for other meetings. The \$500 increase is to better reflect anticipated costs.
- Outreach–Stakeholder Engagement – This line item includes efforts to increase interactions and outreach with stakeholders including sponsorships of select conferences. This line item is decreased by \$500.
- Outreach-Community Partnership – This is a new line item for AMWUA’s media partnership with KTAR’s Water Watch. The AMWUA Board approved this partnership in June 2025 through a one-time funding from the reserve fund. As reported at the March Board and Management Board meetings, AMWUA’s engagement with KTAR has increased more attention to water issues impacting the AMWUA municipalities and Arizona as well as increased recognition of AMWUA. It has also increased traffic to AMWUA’s website along with reaching a wider audience. Based on the observed benefits from working with KTAR, the budget includes \$81,000 to continue this effort through the Fiscal Year 2027.
- Software Subscriptions – This line item now includes all software subscription utilized by AMWUA, including Microsoft, Zoom, Adobe, Constant Contact, Shutterstock, Otter, etc. The line item is increased by \$4,000 due to higher subscription costs for Adobe and to

also acquire ArcGIS Professional Pro, a comprehensive geospatial platform to create, share, and analyze maps and data.

- Dues and Memberships – This line item covers membership and dues with key associations that AMWUA engages with along with dues for media services. This line item increased by \$7,500 to support the Government Relations Director’s ability to interact with different business organizations as well as online access to effectively track legislation through Lola Pro Tools. The memberships include Greater Phoenix Chamber, Arizona Association for Economic Development, Valley Partnership, Agribusiness Council, Alliance for Water Efficiency, and Arizona Nursery Association. The media subscriptions utilized included access to AZCentral, Arizona Daily Star, State Affairs, and Arizona Agenda.
- Insurance – This line item is increased by \$5,000 to reflect a jump in the cost for updating the policy coverage for Board’s public liability and AMWUA’s property damage insurances.

Water Conservation – These items cover AMWUA’s conservation and demand management-related efforts. The budget reflects funding to advance AMWUA’s conservation goals per this fiscal year’s annual plan. This category is increased by \$1,500 for additional efforts under the outreach line item.

- Smartscape – The water conservation budget has for years included a line item for our agreement with the University of Arizona for ongoing implementation of the long-standing Smartscape program to train landscape professionals in Maricopa County.
- Research and Efficiency – This line item covers funding for conservation, efficiency, and demand management related research and projects, including the redevelopment of AMWUA’s publication – *Xeriscape: Landscaping with Style*.
- Outreach – This line item covers funding for sponsorships, events, and regional conservation efforts, including educational and promotional materials. It also reflects conference sponsorships, and the irrigation text alerts service that AMWUA offers.

Member Assessments – AMWUA’s membership assessment is calculated as follows: One-half of the water budget is allocated equally among all members, and the other one-half is allocated based on total population. The population figures are based on the Maricopa Association of Governments’ July 1, 2025, official population estimates, which are the most recent available. The wastewater portion of the budget continues to be allocated based on a percentage of ownership of the 91st Avenue Wastewater Treatment Plant.

The Fiscal Year 2027 budget is \$32,287 (1.7%) more than the current approved Fiscal Year 2026 budget. A carryover of \$180,000 is conservatively projected from the Fiscal Year 2026 budget to the Fiscal Year 2027 budget, along with \$10,000 from the Office Lease Stabilization Fund, for a total of \$190,000 carryover that will reduce the member assessments in Fiscal Year 2027 to less than the current fiscal year. The primary reason for the carryover is due to various administrative savings from the vacancy of the Water Policy Analyst position and not filing the Government Relations Director position until October.

The actual assessment for each member is dependent on the assessment calculation, which includes the fluctuation from the most recent MAG population numbers and participation in SROG.

RECOMMENDATION

The AMWUA Management Board recommends that the AMWUA Board of Directors adopt the Fiscal Year 2027 budget.

SUGGESTED MOTION

I move that the AMWUA Board of Directors adopt the Fiscal Year 2027 budget, as presented.

ATTACHMENT

- Fiscal Year 2027 AMWUA Budget

***Arizona Municipal Water Users Association
Fiscal Year 2027
Budget***

June 2026



**ARIZONA MUNICIPAL WATER USERS ASSOCIATION
Fiscal Year 2027
Proposed Budget**

ASSESSMENT SUMMARY

	WATER FY 26	WATER FY 27	WASTEWATER FY 26	WASTEWATER FY 27	TOTAL FY 26	TOTAL FY 27	FY 26 Carryover	ADJ TOTAL FY 27
CITY OF AVONDALE	99,829	101,366	-	-	99,829	101,366	11,910	89,456
CITY OF CHANDLER	138,483	139,584	-	-	138,483	139,584	16,400	123,184
TOWN OF GILBERT	133,290	140,886	-	-	133,290	140,886	16,553	124,333
CITY OF GLENDALE	139,660	134,960	17,278	18,372	156,939	153,332	15,857	137,475
CITY OF GOODYEAR	103,885	105,823	-	-	103,885	105,823	12,434	93,390
CITY OF MESA	187,131	188,697	38,248	40,668	225,380	229,365	22,171	207,194
CITY OF PEORIA	121,499	122,832	-	-	121,499	122,832	14,432	108,400
CITY OF PHOENIX	426,308	429,095	147,652	156,993	573,960	586,088	50,416	535,672
CITY OF SCOTTSDALE	131,058	131,986	26,507	28,184	157,565	160,170	15,508	144,662
CITY OF TEMPE	120,602	121,867	37,999	40,403	158,601	162,271	14,319	147,952
Total from Members	1,601,745	1,617,098	267,685	284,619	1,869,430	1,901,717	190,000	1,711,717
Other Funding Sources:								
TOTAL All Sources	1,601,745	1,617,098	267,685	284,619	1,869,430	1,901,717	190,000	1,711,717

Note #1. The Assessment Structure is based on the following formula: 50% of the water portion of the budget is allocated equally with the remaining 50% based on population according to the MAG 2025 official population estimates.

Note #2. Wastewater Assessments based on ownership in 91st Avenue Wastewater Treatment Plant @ 204.50 MGD.

Note #3. FY 2026 Carryover amount above includes \$180,000 Carryover amount from 2026 and \$10,000 from the Office Lease Stabilization Fund.

ARIZONA MUNICIPAL WATER USERS ASSOCIATION
Fiscal Year 2027
Proposed Budget

EXPENDITURE SUMMARY

	<u>WATER FY 26</u>	<u>WATER FY 27</u>	<u>WASTEWATER FY 26</u>	<u>WASTEWATER FY 27</u>	<u>TOTAL FY 26</u>	<u>TOTAL FY 27</u>
ADMINISTRATION	893,734	826,053	135,966	144,254	1,029,700	970,307
EMPLOYEE BENEFITS	197,224	172,288	28,776	28,697	226,000	200,985
PROFESSIONAL SERVICES	187,110	189,909	39,230	41,967	226,340	231,875
OCCUPANCY	166,666	175,015	56,224	58,785	222,890	233,800
TRAVEL, TRAINING & CONFER.	10,795	12,962	1,905	2,288	12,700	15,250
CAPITAL OUTLAY	8,029	7,661	1,221	1,339	9,250	9,000
OFFICE OPERATING EXPENSES	37,187	130,710	4,363	7,290	41,550	138,000
WATER CONSERVATION	101,000	102,500	-		101,000	102,500
TOTAL	1,601,745	1,617,098	267,685	284,619	1,869,430	1,901,717

ARIZONA MUNICIPAL WATER USERS ASSOCIATION

Fiscal Year 2027

Proposed Budget

EXPENDITURES DETAIL

	FY 26 BUDGET WATER	FY 26 ACTUAL WATER	FY 27 BUDGET WATER	FY 26 BUDGET WASTEWATER	FY 26 ACTUAL WASTEWATER	FY 27 BUDGET WASTEWATER	FY 26 BUDGET TOTAL	FY 26 ACTUAL TOTAL	FY 27 BUDGET TOTAL
ADMINISTRATION									
Salaries	775,354	663,438	715,627	124,846	115,096	133,873	900,200	778,534	849,500
Performance Awards	18,300	18,300	17,000				18,300	18,300	17,000
Total Wages	793,654	681,738	732,627	124,846	115,096	133,873	918,500	796,834	866,500
Deferred Compensation:									
Arizona State Retirement	100,080	83,160	93,426	11,120	9,240	10,381	111,200	92,400	103,807
Subtotal	893,734	764,898	826,053	135,966	124,336	144,254	1,029,700	889,234	970,307
EMPLOYEE BENEFITS									
Payroll Processing, Taxes, Insur	82,026	59,256	70,645	12,474	10,350	12,340	94,500	69,606	82,985
Medical, Dental, Life, Disability	107,198	76,617	93,643	16,302	13,383	16,357	123,500	90,000	110,000
Cell Phone Allowance	8,000	6,720	8,000				8,000	6,720	8,000
Subtotal	197,224	142,593	172,288	28,776	23,733	28,697	226,000	166,326	200,985
PROFESSIONAL SERVICES									
Website Services	12,000	11,400	12,000				12,000	11,400	12,000
IT Services	5,208	3,840	4,086	792	960	714	6,000	4,800	4,800
Legal/Policy Consulting	60,000	60,000	60,000				60,000	60,000	60,000
Legislative	54,000	54,000	54,000				54,000	54,000	54,000
Financial and Accounting Services	44,160	43,936	47,200	11,040	10,984	11,800	55,200	54,920	59,000
Audit	11,742	10,000	12,623	27,398	29,140	29,453	39,140	39,140	42,075
Subtotal	187,110	183,176	189,909	39,230	41,084	41,967	226,340	224,260	231,875
OCCUPANCY									
Office Space	154,948	155,179	159,692	54,442	54,522	56,108	209,390	209,701	215,800
Building Operating Costs	5,642	7,507	9,364	858	2,638	1,636	6,500	10,145	11,000
E-Mail/Webpage/Internet Access	6,076	5,180	5,959	924	1,820	1,041	7,000	7,000	7,000
Subtotal	166,666	167,866	175,015	56,224	58,980	58,785	222,890	226,846	233,800

ARIZONA MUNICIPAL WATER USERS ASSOCIATION

Fiscal Year 2027

Proposed Budget

EXPENDITURES DETAIL

	FY 26 BUDGET WATER	FY 26 ACTUAL WATER	FY 27 BUDGET WATER	FY 26 BUDGET WASTEWATER	FY 26 ACTUAL WASTEWATER	FY 27 BUDGET WASTEWATER	FY 26 BUDGET TOTAL	FY 26 ACTUAL TOTAL	FY 27 BUDGET TOTAL
ADMINISTRATION									
Salaries	775,354	663,438	715,627	124,846	115,096	133,873	900,200	778,534	849,500
Performance Awards	18,300	18,300	17,000				18,300	18,300	17,000
Total Wages	793,654	681,738	732,627	124,846	115,096	133,873	918,500	796,834	866,500
Deferred Compensation:									
Arizona State Retirement	100,080	83,160	93,426	11,120	9,240	10,381	111,200	92,400	103,807
Subtotal	893,734	764,898	826,053	135,966	124,336	144,254	1,029,700	889,234	970,307
EMPLOYEE BENEFITS									
Payroll Processing, Taxes, Insur	82,026	59,256	70,645	12,474	10,350	12,340	94,500	69,606	82,985
Medical, Dental, Life, Disability	107,198	76,617	93,643	16,302	13,383	16,357	123,500	90,000	110,000
Cell Phone Allowance	8,000	6,720	8,000				8,000	6,720	8,000
Subtotal	197,224	142,593	172,288	28,776	23,733	28,697	226,000	166,326	200,985
PROFESSIONAL SERVICES									
Website Services	12,000	11,400	12,000				12,000	11,400	12,000
IT Services	5,208	3,840	4,086	792	960	714	6,000	4,800	4,800
Legal/Policy Consulting	60,000	60,000	60,000				60,000	60,000	60,000
Legislative	54,000	54,000	54,000				54,000	54,000	54,000
Financial and Accounting Services	44,160	43,936	47,200	11,040	10,984	11,800	55,200	54,920	59,000
Audit	11,742	10,000	12,623	27,398	29,140	29,453	39,140	39,140	42,075
Subtotal	187,110	183,176	189,909	39,230	41,084	41,967	226,340	224,260	231,875
OCCUPANCY									
Office Space	154,948	155,179	159,692	54,442	54,522	56,108	209,390	209,701	215,800
Building Operating Costs	5,642	7,507	9,364	858	2,638	1,636	6,500	10,145	11,000
E-Mail/Webpage/Internet Access	6,076	5,180	5,959	924	1,820	1,041	7,000	7,000	7,000
Subtotal	166,666	167,866	175,015	56,224	58,980	58,785	222,890	226,846	233,800

ARIZONA MUNICIPAL WATER USERS ASSOCIATION
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EXPENDITURES DETAIL

	FY 26 BUDGET WATER	FY 26 ACTUAL WATER	FY 27 BUDGET WATER	FY 26 BUDGET WASTEWATER	FY 26 ACTUAL WASTEWATER	FY 27 BUDGET WASTEWATER	FY 26 BUDGET TOTAL	FY 26 ACTUAL TOTAL	FY 27 BUDGET TOTAL
TRAINING AND TRAVEL									
Conferences/Travel	8,075	8,075	8,500	1,425	1,425	1,500	9,500	9,500	10,000
Mileage Reimbursement	1,445	1,627	2,975	255	288	525	1,700	1,915	3,500
Staff Development	1,275	1,275	1,487	225	225	263	1,500	1,500	1,750
Subtotal	10,795	10,977	12,962	1,905	1,938	2,288	12,700	12,915	15,250
CAPITAL OUTLAY									
Copy Machine Expenses	3,472	3,405	3,192	528	595	558	4,000	4,000	3,750
Computer/Equipment/Software	4,557	4,469	4,469	693	781	781	5,250	5,250	5,250
Subtotal	8,029	7,874	7,661	1,221	1,376	1,339	9,250	9,250	9,000
OFFICE OPERATING EXPENSES									
Supplies	4,123	4,085	3,405	627	665	595	4,750	4,750	4,000
Meetings	6,944	8,889	7,236	1,056	1,445	1,264	8,000	10,334	8,500
Outreach - Stakeholder Engagement	8,500	6,881	8,000		1,119		8,500	8,000	8,000
Outreach - Community Partnership			81,000						81,000
Printing	868		681	132		119	1,000		800
Postage & Deliveries	694	688	595	106	112	105	800	800	700
Subscription & Reference	6,076	7,562	9,364	924	1,230	1,636	7,000	8,792	11,000
Dues & Memberships	2,604	10,494	8,938	396	1,706	1,562	3,000	12,200	10,500
Insurance and Property Damage	5,208	9,031	9,364	792	1,469	1,636	6,000	10,500	11,000
Bank Fees	434	411	425	66	67	75	500	478	500
Equipment Maintenance	1,736	2,580	1,702	264	420	298	2,000	3,000	2,000
Subtotal	37,187	50,621	130,710	4,363	8,233	7,290	41,550	58,854	138,000
WATER CONSERVATION									
Smartscape with Cooperative Ext.	48,000	48,000	48,000				48,000	48,000	48,000
Research and Efficiency Initiatives	30,000	30,000	30,000				30,000	30,000	30,000
Outreach	23,000	23,000	24,500				23,000	23,000	24,500
Subtotal	101,000	101,000	102,500				101,000	101,000	102,500
Total Operating Expenses	1,601,745	1,429,005	1,617,098	267,685	259,680	284,619	1,869,430	1,688,685	1,901,717
FUNDING SOURCES									
Office Lease Stabilization Fund									10,000
Carryover applied to member assessments									180,000
Member Assessments	1,601,745	1,429,005	1,617,098	267,685	259,680	284,619	1,869,430	1,688,685	1,711,717
Total Funding	1,601,745	1,429,005	1,617,098	267,685	259,680	284,619	1,869,430	1,688,685	1,901,717

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BUDGET COMMENTS

	BUDGET TOTAL FY 25	BUDGET TOTAL FY 26	Annualized ACTUAL FY 26	BUDGET TOTAL FY 27	FY 27 BUDGET COMMENTS
ADMINISTRATION					
Salaries	793,280	900,200	778,534	849,500	7 full-time positions - Increase due to performance awards effective 1/1/26, and new hires
Performance Awards	15,756	18,300	18,300	17,000	Performance awards for staff only
Total Compensation	809,036	918,500	796,834	866,500	
Deferred Compensation:					
Arizona State Retirement	99,269	111,200	92,400	103,807	11.98% (estimate) for ASRS & LTD along with adjustment to salaries
Subtotal	908,305	1,029,700	889,234	970,307	
EMPLOYEE BENEFITS					
Payroll Processing, Taxes, Insur	75,000	94,500	69,606	82,985	Based on processing fees and taxes
Medical, Dental, Life, Disability	103,000	123,500	90,000	110,000	Coverage for current employees' statuses and anticipated 10% increase in 2027
Cell Phone Allowance	8,000	8,000	6,720	8,000	No change
Subtotal	186,000	226,000	166,326	200,985	
PROFESSIONAL SERVICES					
Website Services	15,600	12,000	11,400	12,000	No change
IT Services	6,000	6,000	4,800	4,800	Decrease reflects current agreement
Legal/Policy Consulting	60,000	60,000	60,000	60,000	No change
Legislative	52,920	54,000	54,000	54,000	No change
Financial and Accounting Services	52,500	55,200	54,920	59,000	Increase per approved agreement
Audit	38,000	39,140	39,140	42,075	Increase per approved agreement
Subtotal	225,020	226,340	224,260	231,875	
OCCUPANCY					
Office Space	206,000	209,390	209,701	215,800	Increase due to lease agreement
Building Operating Costs	4,000	6,500	10,145	11,000	Increase in anticipated shared maintenance costs per lease agreement
Internet Access/Phone	7,000	7,000	7,000	7,000	No change
Subtotal	217,000	222,890	226,846	233,800	

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BUDGET COMMENTS

	BUDGET TOTAL FY 25	BUDGET TOTAL FY 26	Annualized ACTUAL FY 26	BUDGET TOTAL FY 27	
TRAINING AND TRAVEL					FY 27 BUDGET COMMENTS
Conferences/Travel	8,500	9,500	9,500	10,000	Increase to enable staff to attend conferences
Mileage Reimbursement	1,000	1,700	1,915	3,500	Increase for anticipated actuals
Staff Development	2,000	1,500	1,500	1,750	Increase to enable development opportunities
Subtotal	11,500	12,700	12,915	15,250	
CAPITAL OUTLAY					
Copy Machine Expenses	5,000	4,000	4,000	3,750	Decrease due to new contract
Computer Hardware	6,000	5,250	5,250	5,250	No change
Subtotal	11,000	9,250	9,250	9,000	
OFFICE OPERATING EXPENSES					
Supplies	4,000	4,750	4,750	4,000	Decrease reflects anticipated actuals
Meetings	7,500	8,000	10,334	8,500	Increase reflects more in-person meeting expenses
Outreach - Stakeholder Engagement	8,500	8,500	8,000	8,000	Reflects anticipated outreach efforts
Outreach - Community Partnership				81,000	Cost to continue sponsorship for KTAR Water Watch
Printing	1,000	1,000		800	Decrease reflects anticipated actuals
Postage & Deliveries	800	800	800	700	Decrease reflects anticipated actuals
Software Subscriptions	4,000	7,000	8,792	11,000	Increase for inclusion of ArcGIS Professional Pro and higher Adobe cost
Dues & Memberships	3,000	3,000	12,200	10,500	Increase is for memberships tied to Govt Relations efforts
Insurance-Public Liability and Property Damage	5,500	6,000	10,500	11,000	Increase reflect higher costs for insurance coverage
Bank Fees	500	500	478	500	No change
Equipment Maintenance	2,000	2,000	3,000	2,000	No change
Subtotal	36,800	41,550	58,854	138,000	
WATER CONSERVATION					
Smartscape with Cooperative Ext.	48,000	48,000	48,000	48,000	Funding for UA Cooperative Extension to administer Smartscape program in Maricopa County
Research and Efficiency Initiatives	32,000	30,000	30,000	30,000	Funding for conservation, efficiency, and demand management related research and initiatives
Outreach	26,345	23,000	23,000	24,500	Funding for sponsorships, events, and regional conservation efforts including educational and promotional materials
Subtotal	106,345	101,000	101,000	102,500	
Total Operating Expenses	<u>1,701,970</u>	<u>1,869,430</u>	<u>1,688,685</u>	<u>1,901,717</u>	
FUNDING SOURCES					
Office Lease Stabilization Fund	10,000	10,000		10,000	
Carry over from from previous fiscal year	12,000	100,000		180,000	
Member Assessments	1,679,970	1,759,430		1,711,717	
Total Funding	<u>1,701,970</u>	<u>1,869,430</u>		<u>1,901,717</u>	