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

ARIZONA MUNICIPAL WATER USERS ASSOCIATION MANAGEMENT BOARD

MEETING NOTICE AND AGENDA

November 10, 2026 – 10:00 a.m.

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

Access this Link to join via Zoom. Meeting ID: : 815 3667 5632
(Option to join by phone: 602-753-0140, same Meeting ID as above)

A. Call to Order

B. General Business—Items for Discussion and Possible Action

1. Approval of the Minutes for the October 14, 2026 Meeting
2. Next Meeting Date: December 9, 2026 @ 10:00 a.m.
3. Post-2026 Colorado River Operations and Impacts for Arizona
4. Bartlett Dam Update
5. Fiscal Year 2027 Quarterly Financial Statements – First Quarter
6. Annual Financial Audit Report for Fiscal Year 2026
7. Nominating Committee for 2027 Board Chair and Vice-Chair

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.

AGENDA ITEM #1

MANAGEMENT BOARD
MEETING MINUTES
October 14, 2026
HYBRID MEETING

MEMBERS PRESENT

Kirk Beaty, Avondale, Chair
David Burks, Peoria, Vice Chair
Jeremy Abbott, Chandler
Lauren Hixson, Gilbert
Ron Serio, Glendale
Barbara Chappell, Goodyear
Joe Giudice, Mesa
Brandy Kelso, Phoenix
Thyra Ryden-Diaz, Scottsdale
Tara Ford, Tempe

AMWUA STAFF PRESENT

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

A. Call to Order

Kirk Beaty called the meeting to order at 10:01 a.m.

B. General Business – Items for Discussion and Possible Action

1. Approval of the Minutes from the September 9, 2026, Meeting

Upon a motion by David Burks, seconded by Brandy Kelso, the AMWUA Management Board unanimously approved the minutes for the September 9, 2026, meeting.

2. Next Meeting Date: Tuesday, November 10, 2026 @ 10:00 a.m.

3. Post-2026 Colorado River Operations and Impacts for Arizona

Paul Bergelin, AMWUA's Water Policy Advisor, reported that negotiations have continued on the Lower Basin agreement for 2027 and 2028 deliveries. Mr. Bergelin explained that the agreement, combined with CAP mitigation measures, could limit municipal and industrial pool reductions to 14%, compared with 50% without an agreement. A legislative special session could occur in late November to ratify the agreement.

Mr. Bergelin reported that Lake Powell and Lake Mead water levels remained near consultation thresholds that could prompt additional reductions. Mr. Bergelin noted that recent precipitation improved soil moisture and early snowpack, but winter conditions and upcoming Bureau of Reclamation studies would be critical to determining future reservoir releases.

Kirk Beaty asked whether Upper Basin releases were planned to help stabilize reservoir levels. Mr. Bergelin confirmed that releases were continuing under drought response operations but noted that the remaining volume was small.

4. 2027 Legislative Agenda

Aly Slobodzian, AMWUA's Government Relations Director, presented the proposed 2027 Legislative Agenda, which was developed to align with AMWUA's annual plan and post-2026 Colorado River conditions. The agenda focuses on supporting legislation to develop new supplies within 10 years while protecting municipal providers' ability to meet current demands, manage infrastructure, access stored water, and maintain regulatory flexibility while protecting the aquifer.

Ms. Slobodzian outlined priorities including dedicated funding for new supplies and infrastructure, support for Bartlett Dam and advanced water purification, sustainable water management, conservation, and water quality protection.

Upon a motion by Brandy Kelso, seconded by Ron Serio, the AMWUA Management Board unanimously approved recommending that the AMWUA Board of Directors approve the 2027 Legislative Agenda.

5. Overview of New Water Supplies

Warren Tenney, AMWUA's Executive Director, reported that developing new water supplies is essential as Colorado River supplies decline. Mr. Tenney noted that staff compiled an overview of potential supply projects and invited feedback and requests for additional information.

Mr. Bergelin reported on potential water supply projects in four categories: advanced water purification, groundwater transportation, ocean desalination, and other regional projects. Mr. Bergelin reviewed estimated costs, timelines, and legal and infrastructure requirements, noting that many projects remain in early planning stages and involve exchanges for Colorado River water.

Mr. Bergelin noted the importance of coordination among water providers and potential federal or dedicated state funding to support project development. Staff will periodically update the project list as additional information becomes available.

Mr. Burks noted that immediate shortage responses could limit cities' funding for future projects. Mr. Beaty noted investments in exchanges for declining Colorado River supplies would need to be considered more closely. Mr. Giudice asked about Upper Basin projects that could increase Lower Basin deliveries.

Mr. Bergelin noted that an Upper Basin irrigation efficiency proposal that WIFA was considering had not advanced and that other concepts required cooperation.

Mr. Tenney encouraged providers to identify those supply projects that could be advanced through coordinated advocacy and funding.

C. Member Reports

No Member Reports.

D. Executive Director's Report

Mr. Tenney reported that the updated Landscaping with Style book had been published to support conservation and demand management, acknowledging Ms. Trapp and member cities' conservation teams for their contributions.

Mr. Tenney also reported that SRP's reservoir system was 49% full, up two percentage points from the previous month and compared with 53% a year earlier.

E. Future Agenda Items

No future agenda items were requested.

F. Adjournment

Mr. Beaty adjourned the meeting at 10:40 a.m.

AGENDA ITEM #3

AMWUA MANAGEMENT BOARD

INFORMATION SUMMARY

November 10, 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

Arizona water users continue to wait for the Lower Basin States to complete an implementation agreement to formalize sharing annually in 2027 and 2028 the cut of 1.25 million acre-feet, which equates to a 760,000-acre-foot cut to Arizona each of those years. Additionally, Nevada will contribute 100,000 acre-feet and Arizona and California each will contribute at least 300,000 acre-feet to leave in Lake Mead through 2028.

Reclamation has agreed to use the Lower Basin Agreement as the operating guidelines for the first two years of its Colorado River management framework from 2027 to 2036. Completing the agreement has been complicated by the lawsuit filed by Nevada against the federal government regarding Reclamation's 10-year framework. Arizona and Central Arizona Water Conservation District have filed motions to intervene in the Nevada case. Other stakeholders are anticipated to file similar motions to intervene.

The three states each say they want the agreement for 2027-2028 operations and are working on it. This also includes formalizing the contributions from each state for leaving water in Lake Mead through 2028. If this agreement is not approved, CAP has warned that it could face a 1.1 million acre-foot cut, which would reduce the M&I subcontracts by 50%.

AMWUA staff will provide an update about the Colorado River situation and its impact on Arizona at the November 10, 2026 Management Board meeting.

RECOMMENDATION

The AMWUA Management Board is requested to ask questions and discuss the Colorado River situation including its hydrology, federal action, the Lower Basin agreement, and post-2026 impacts on Arizona.

AGENDA ITEM #4

AMWUA MANAGEMENT BOARD

INFORMATION SUMMARY

November 10, 2026

Bartlett Dam Update

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.

- Support efforts for development of new water supplies and necessary infrastructure and advocate for establishment of a dedicated revenue source to ensure Arizona's long-term water security.

SUMMARY

This agenda item is to give a progress update on the expansion of Bartlett Dam. Beginning in 2020, the Salt River Project and the Bureau of Reclamation have been exploring how to restore capacity lost at Horseshoe Reservoir, including the expansion of Bartlett Dam. The Draft Environmental Impact Statement for this effort (formally called the Verde Reservoirs Sediment Mitigation Project) will be released later this month. Although it was anticipated that construction would be complete on this project by 2035, the timeline has recently been pushed back by 10 years. Discussions are ongoing to determine what can be done to move the project timeline forward.

RECOMMENDATION

The AMWUA Management Board is requested to ask questions and discuss the progress on expanding Bartlett Dam.

AGENDA ITEM #6

MANAGEMENT BOARD

INFORMATION SUMMARY

November 10, 2026

Fiscal Year 2027 Quarterly Financial Statements – First Quarter

ANNUAL PLAN REFERENCE

Day-to-Day Operations

Maintain the daily operations of an effective organization and the services members rely on.

- AMWUA will continue to wisely manage its financial resources

SUMMARY

The AMWUA Statement of Net Position and the Statement of Revenues and Expenses for the period July 1, 2026 – September 30, 2026 are presented for your information.

The Statement of Revenues and Expenses has been summarized to show expenses by major category to align with budget presentation. Overall, expenses are under budget with the except of Occupancy being over budget due to the prepayment of the October rent. Total expenses for the first three months of the fiscal year are $446,062, which is $29,367 under budget.

RECOMMENDATION

AMWUA staff is requesting that the AMWUA Management Board recommend to the AMWUA Board of Directors acceptance of the AMWUA quarterly financial statements for the first quarter as presented.

SUGGESTED MOTION

I move that the AMWUA Management Board recommend to the AMWUA Board of Directors acceptance of the AMWUA quarterly financial statements for the first quarter as presented.

ATTACHMENTS

- Attachment A: Executive Summary
- Attachment B: Statement of Net Position
- Attachment C: Statement of Revenues and Expenses

Executive Summary

Arizona Municipal Water Users Association

Actual to Budget comparison for the three months ended September 30, 2026, and compared to the budget for the year ending June 30, 2027

Observations

- Salaries and benefits are under budget due to timing of future promotion awards budgeted.
- Professional services are under budget and water conservation is under budget due to the timing of payments.
- Occupancy is over budget due to the prepayment of October rent.
- Office operating expenses are under budget $15,714 mostly attributable to timing of annual membership and dues renewals.
- Total expenses are $446,062 for the three months ended September 30, 2026, which is $29,367 under budget.

Notes to the Reader:

The accompanying historical financial statements and budgeted financial statements include the following departures from accounting generally accepted in the United States of America and the guidelines for presentation of a forecast established by the AICPA:

Historical

- The financial statements omit the statement of cash flows and substantially all the disclosures ordinarily included in financial statements required by accounting principles general accepted in the United States of America.
- The statement of revenues and expenses omits the change in net position.
- The following items are adjusted only at fiscal year-end:
    - Prepaid Expenses
    - Depreciation
    - Accrued liabilities, accrued vacation and accrued payroll liabilities.
    - The net OPEB and net pension assets or liabilities, as applicable.
    - Deferred Inflows and Outflow of resources pertaining to the pension and OPEB.
    - Right of Use Asset amortization and change in liabilities.
- All membership commitments are recognized in the first quarter of the fiscal year, instead of being amortized ratably over the membership period.
- The components of net position have not been reported separately on these interim financial statements.

Budgeted

- The budgeted financial statements omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting.
- The budgeted financial statements omit substantially all the significant accounting policies.

Summary of Significant Assumptions

The financial budget presents, to the best of management's knowledge and belief, the Association's expected results of operations for the budget periods. Accordingly, the budget reflects its judgment as of June 20, 2026, the date the fiscal year 2027 budget was approved by the Board of Directors, of the expected conditions and course of action. The assumptions disclosed herein are those that management believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Budget Assumptions

- Salaries and benefits are based upon anticipated staffing and payroll data.
- Additional pay increases have been built into the budget depending on the position and performance of employees within that position.
- Annual water assessments are based on a 50/50 formula, with half allocated equally and the other half allocated based upon MAG 2024 population estimates.
- Annual wastewater assessments are assessed based upon flow ownership in the 91st Avenue WWTP at 204.50 mgd.
- Office space expenses are based upon an approximate 4.2% increase as stated in the office lease agreement.

The financial statements and budget financial statements are developed by the Association to comply with accounting principles general accepted in the United States of America ("GAAP"), although there may be departures from GAAP not identified. These statements are primarily intended for use in managing the Association's operations and may not be suitable for other purposes. Users should be aware of these limitations when utilizing the financial statements.

Attachment B

ARIZONA MUNICIPAL WATER USERS ASSOCIATION
STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2026

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

CURRENT ASSETS	
Cash and cash equivalents	$ 617,780
Investments	766,114
Other Receivables	40,295
Prepaid expenses and other assets	-
Total current assets	1,424,189
NON CURRENT ASSETS	
Net OPEB asset	33,021
Capital assets, net	712,170
Total noncurrent assets	745,191
TOTAL ASSETS	2,169,380
DEFERRED OUTFLOWS OF RESOURCES	
OPEB plan items	5,268
Pension plan items	176,245
Total deferred outflows of resources	181,513
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 2,350,893

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

CURRENT LIABILITIES	
Accounts payable and accrued expenses	$ 31,638
Compensated absences payable	77,452
Lease liability, current portion	138,849
Total current liabilities	247,939
NONCURRENT LIABILITIES	
Net pension liability	697,095
Lease liability, noncurrent portion	782,206
Total noncurrent liabilities	1,479,301
TOTAL LIABILITIES	1,727,240
DEFERRED INFLOWS OF RESOURCES	
OPEB plan items	9,185
Pension plan items	173,679
Total deferred inflows of resources	182,864
TOTAL NET POSITION	440,789
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 2,350,893

ARIZONA MUNICIPAL WATER USERS ASSOCIATION
Statement of Revenues and Expenses
Actual to Budget comparison for the three months ended September 30, 2026, and to the budget for the year ending June 30, 2027

	Year-to-Date			Approved Annual Budget	Over(under) Annual Budget
	Actual	Budget	over Budget		
Income					
Assessment - Water	1,778,662	1,778,662	-	1,778,662	-
Assessment - Wastewater	313,055	313,055	-	313,055	-
Prior Year Carryover Credit	(190,000)	(190,000)	-	(190,000)	-
Interest and Dividend Revenues	8,136	-	8,136	-	8,136
Water Loss Control Training Program Income	-	-	-	-	-
Total Income	**1,909,853**	**1,901,717**	**8,136**	**1,901,717**	**8,136**
Expenses					
ADMINISTRATIVE	235,626	242,577	(6,951)	970,307	(734,681)
EMPLOYEE BENEFITS	45,207	50,246	(5,039)	200,985	(155,778)
PROFESSIONAL SERVICES	49,499	57,969	(8,470)	231,875	(182,376)
OCCUPANCY	78,321	58,450	19,871	233,800	(155,479)
TRAVEL & TRAINING	4,725	3,813	912	15,250	(10,525)
CAPITAL OUTLAY	1,535	2,250	(715)	9,000	(7,465)
OFFICE OPERATING EXPENSES	18,786	34,500	(15,714)	138,000	(119,214)
WATER CONSERVATION PROGRAM	12,363	25,625	(13,262)	102,500	(90,137)
Total Expenses	446,062	475,429	(29,367)	1,901,717	(1,455,655)
Net Operating Income	**1,463,791**	**1,426,288**	**37,503**	**-**	**1,463,791**
Other Income					
4070 Other Revenues	475	-	475	-	475
Total Other Income	**475**	**-**	**475**	**-**	**475**
Other Expenses					-
Reserve Fund - Expenses	87,753	-	87,753	-	87,753
Total Other Expenses	**87,753**	**-**	**87,753**	**-**	**87,753**
Change in Net Assets	**1,376,513**	**1,426,288**	**(49,775)**	**-**	**1,376,513**

Reserve and Contingency Funds Summary	Balance 7/1/2026	Used	Additions	Balance 9/30/2026	
Contingency Fund Balance	600,000	-	-	600,000	
Reserve Fund Balance	244,185	(81,003)	7,923	171,105	*
Office Lease Stabilization Fund Balance	43,686			43,686	
Total	**887,871**	**(81,003)**	**7,923**	**814,791**	

*** Interest/dividends earned on the LGIP Fund are additions to the Reserve Fund. Expenses are recorded as used when payments are made**

Warren Tenney
AMWUA Executive Director

Councilmember Kesha Hodge Washington, Phoenix
AMWUA Secretary-Treasurer

AGENDA ITEM #7

MANAGEMENT BOARD

INFORMATION SUMMARY

November 10, 2026

Annual Financial Audit Report for Fiscal Year 2026

ANNUAL PLAN REFERENCE

Day-to-Day Operations

Maintain the daily operations of an effective organization and the services members rely on.

- AMWUA will continue to wisely manage its financial resources

SUMMARY

The AMWUA Annual Financial Audit Report for the fiscal year ending June 30, 2026 is presented for your review and information. This audit report issued by the independent accounting firm of Forvis Mazars includes their opinion that the financial statements included in this report present fairly, in all material respects, the financial position of AMWUA as of June 30, 2026.

Forvis Mazars did not make any findings for the Fiscal Year 2026 audit, which is good and means AMWUA is in a solid financial situation.

AMWUA takes seriously its fiduciary responsibility to our member cities by fulfilling our mission requirements within the parameters of the approved budget. This independent audit report confirms that AMWUA completed Fiscal Year 2026 under budget and continues to be on a fiscally sound footing to meet the future needs of the Association.

RECOMMENDATION

It is requested that the AMWUA Management Board recommend to the AMWUA Board of Directors acceptance of the audit report as presented.

SUGGESTED MOTION

I move that the AMWUA Management Board recommend to the AMWUA Board of Directors acceptance of the AMWUA Annual Financial Audit Report for Fiscal Year 2026.

ATTACHMENTS

- ***Attachment A:*** Forvis Mazars Report to the Management Board for Fiscal Year 2026 Audit.
- ***Attachment B:*** Financial Statements for Fiscal Years 2026 and 2025.

Arizona Municipal Water Users Association

Independent Auditor's Report, Financial Statements, and Required Supplementary Information

June 30, 2026 and 2025

Arizona Municipal Water Users Association
Phoenix, Arizona

Financial Statements
June 30, 2026 and June 30, 2025

Issued by:
Finance Department

Arizona Municipal Water Users Association
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Independent Auditor's Report

Board of Directors
Arizona Municipal Water Users Association
Phoenix, Arizona

Opinion

We have audited the financial statements of the Arizona Municipal Water Users Association (AMWUA) as of and for the years ended June 30, 2026 and 2025, and the related notes to the financial statements, which collectively comprise AMWUA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of AMWUA as of June 30, 2026 and 2025, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of AMWUA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about AMWUA's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of AMWUA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about AMWUA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Forvis Mazars, LLP

Dallas, Texas
October 19, 2026

The following Management's Discussion and Analysis of Arizona Municipal Water Users Association's (AMWUA) activities and financial performance provides a narrative overview and analysis to AMWUA's financial statements for the fiscal years ended June 30, 2026 and 2025, focusing on why amounts changed from the prior.

Overview of the Financial Statements

AMWUA's basic financial statements include the statements of net position; statements of revenues, expenses, and changes in net position; statements of cash flows; the notes to the financial statements; and supplementary information intended to furnish additional detail to support the basic financial statements. AMWUA's financial statements are prepared on an accrual basis in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB).

Financial and Operational Highlights

Total net position for AMWUA equaled $300,283 at June 30, 2026 and $152,379 at June 30, 2025, increasing by $147,904 for fiscal year 2026 and increasing by $91,529 for fiscal year 2025.

Overview of Operating Revenues

For fiscal year 2026, revenues assessed to the member cities totaled $1,759,430, which represents a $79,961 increase from fiscal year 2025, including a carryover credit of $110,000. For fiscal year 2025, revenues assessed to the member cities totaled $1,679,469, which represents a $137,529 increase from fiscal year 2024, including a carryover credit of $22,000. Each city is assessed the same amount for the first 50% of the water portion of the budget, and the second 50% is based on population.

City	Assessment	Percentage
Phoenix	$ 544,651	30.96
Mesa	212,518	12.08
Scottsdale	148,559	8.44
Tempe	150,390	8.55
Glendale	147,342	8.37
Chandler	128,967	7.33
Gilbert	124,131	7.06
Peoria	113,152	6.43
Goodyear	96,749	5.50
Avondale	92,971	5.28
	$ 1,759,430	100.00

Overview of Operating Expenses

Below is a listing of operating expenses by major budget category comparing the approved budget to actual budget (cash) basis and actual GAAP basis:

	Budgeted Expenses	Actual Budget Basis Expenses	Actual GAAP Basis Expenses
Administration	$ 1,029,700	$ 906,096	$ 880,827
Employee Benefits	226,000	149,909	158,024
Professional Services	226,340	215,637	226,637
Occupancy	222,890	225,442	91,314
Travel and Training	12,700	12,072	12,072
Capital Outlay	9,250	2,546	2,546
Office Operating Expenses	41,550	50,457	52,297
Water Conservation	101,000	168,124	167,024
	$ 1,869,430	$ 1,730,283	$ 1,590,741

Expenses for Administration include salaries and pension-funding payments to the Arizona State Retirement System. The actual budget basis expenses for Administration and Employee Benefits were under budget by $199,695. Expenses for Employee Benefits include payroll taxes; payroll processing; medical, dental, disability insurance; and cell phone allowance. The savings were due to a vacant position being filled part way through the year, timing of staff compensation, and health benefit plan participation changes.

Expenses for Professional Services include audit fees and contracts for the following services: Website Maintenance, Legal, Legislative, and Financial. The actual budget basis expenses were under budget by $10,703 primarily due to positions being filled and reduced reliance on temporary services.

Expenses for Occupancy include building lease, building operating expenses, and telephone and internet charges. The actual budget basis expenses were over budget by $2,552.

Actual budget basis expenses for Travel and Training were under budget by $628.

Expenses for Capital Outlay include the copier lease and money spent on computer software and hardware upgrades. The actual budget basis expenses were under budget by $6,704.

Expenses for Office Operating Expenses include all expenses related to office operations. This includes supplies, meetings (lunch and snacks provided to attendees of the Management and Board meetings), printing costs, postage and deliveries, subscription and reference, dues and memberships, office liability insurance, and equipment maintenance costs. The actual budget basis expenses were over budget by $8,907.

Actual budget basis expenses for Water Conservation were $67,124 over budget primarily due to printing and distribution of the Desert Landscape Book, which was authorized by the Board and paid for by the reserve fund.

Summary of Net Position

	2026	2025*	2024*
Current assets	$ 1,307,867	$ 1,207,320	$ 1,116,567
Net OPEB asset	33,021	34,743	27,590
Net capital assets	712,169	856,433	1,000,475
Deferred outflows of resources	181,513	191,670	109,224
Total assets and deferred outflows of resources	$ 2,234,570	$ 2,290,166	$ 2,253,856
Current liabilities	$ 272,122	$ 224,883	$ 226,422
Net pension liability	697,095	897,684	807,454
Lease liability	782,206	921,055	1,045,402
Deferred inflows of resources	182,864	94,165	113,728
Net investment in capital assets	(208,886)	(188,969)	(155,884)
Restricted net position	33,021	34,743	27,590
Unrestricted	476,148	306,605	189,144
Total liabilities, deferred inflows of resources, and net position	$ 2,234,570	$ 2,290,166	$ 2,253,856

* The 2025 and 2024 amounts have been revised to correct the classification of net position between restricted and unrestricted net position.

- Current assets increased by $100,547 in 2026 and increased by $90,753 in 2025. Current assets consist primarily of cash, investments in the Arizona State Local Government Investment Pool, and in some years, a small amount of receivables and prepaids. The increase in 2026 is primarily due to the $248,257 increase in investments in the Arizona State Local Government Investment Pool since 2025. Since the cash assessments generally match the anticipated expenses for each fiscal year, the cash and investments balances will fluctuate based upon the level of actual expenses compared to the approved budget.
- Net OPEB asset represents AMWUA's proportionate share of the net OPEB asset of the Arizona State Retirement System.
- Net capital assets decreased by $144,264 during fiscal year 2026 and decreased by $144,042 during fiscal year 2025 due to annual depreciation and amortization of capital assets over their useful life.
- Current liabilities increased by $47,239 in 2026 and decreased by $1,539 in 2025. At fiscal year-end, all current liabilities consist of unpaid operating expenses. The increase in current liabilities is attributable to a $14,502 increase in lease liability, a $10,413 increase in compensated absences payable as an employee was hired at the end of fiscal year 2026, and an increase of $22,324 in accounts payable due to a non-recurring charge of $21,568 for landscape booklets in 2026.
- Net pension liability decreased by $200,589 in 2026 and increased by $90,230 in 2025 due to changes in assumptions used, market conditions, and changes with employees. Net pension liability represents AMWUA's proportionate share of the net pension liability of the Arizona State Retirement System.
- Total net position increased by $147,904 to $300,283 in fiscal year 2026 and increased by $91,529 to $152,379 in fiscal year 2025. The increase is attributable to the explanations above.

Summary of Changes in Net Position

	2026	2025	2024
Operating revenues			
Annual assessments	$ 1,759,430	$ 1,679,469	$ 1,541,940
Other	1,521	59,283	14
Total operating revenues	1,760,951	1,738,752	1,541,954
Operating expenses	1,590,741	1,605,221	1,705,094
Nonoperating revenues (expenses)			
Interest on investments	56,836	46,501	76,298
Interest paid	(79,142)	(88,503)	(96,838)
Total nonoperating revenues (expenses)	(22,306)	(42,002)	(20,540)
Increase (decrease) in net position	147,904	91,529	(183,680)
Net position, July 1	152,379	60,850	244,530
Net position, June 30	$ 300,283	$ 152,379	$ 60,850

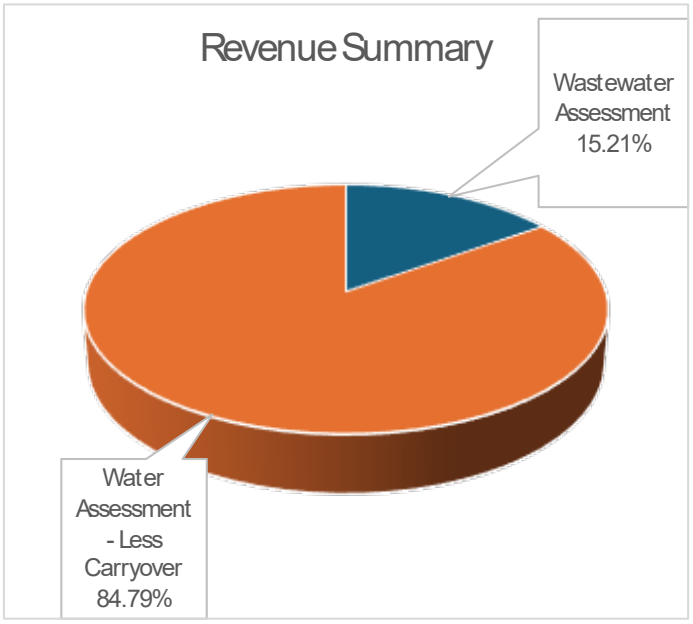
- Annual assessments increased by $79,961 in 2026 and increased by $137,529 in 2025, reflecting the funding required under the approved budget after applying the carryover credit. Annual assessments include a decrease for carryover credit given to the members, which represents accumulated resources from prior years that were used to fund a portion of current-year operations and reduce member assessments. The carryover credit for June 30, 2026 was $110,000 and for June 30, 2025 was $22,000.
- Other revenues decreased $57,762 in 2026. In 2025, there was a one-time other revenue of $56,140, which relates to AMWUA's water conservation efforts with member cities, which was not implemented in 2026.
- Total operating expenses decreased by $14,480 in 2026 and decreased by $99,873 in 2025 due to changes in salaries and retirement contributions from changes in employees.
- Nonoperating revenues/expenses increased by $19,696 in 2026 and decreased by $21,462 in 2025. Nonoperating revenues/expenses consist of interest on investments and interest on the lease.

Operating Revenues

AMWUA's revenue is primarily generated by water and wastewater assessments from member cities. For fiscal year 2026, of the $1,759,430 in revenue recognized from annual assessments, $1,601,746 represents water assessments and $267,684 represents wastewater assessments with the remaining credit of $110,000 applied to overall assessments due.

The following chart shows the sources and the percentage of all revenue by category for the fiscal year ended June 30, 2026:

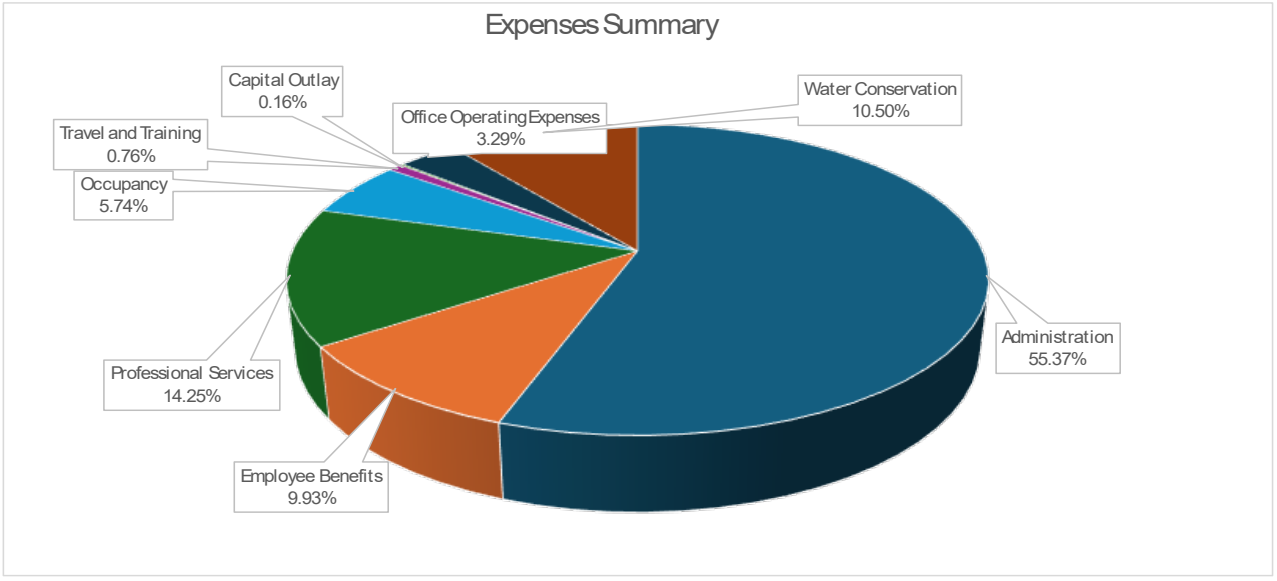
Revenue Summary for Fiscal Year Ended June 30, 2026 (Total = $1,759,430)



Operating Expenses

The following chart shows AMWUA's operating expenses by category for the fiscal year ended June 30, 2026:

Expenses Summary for Fiscal Year Ended June 30, 2026 (Total = $1,590,741)



AMWUA's Capital and Lease Assets

	2026	2025	2024
Property and equipment	$ 1,510,649	$ 1,505,551	$ 1,543,209
Leasehold improvements	-	-	7,102
Less accumulated depreciation and amortization	(798,480)	(649,118)	(549,836)
Net property and equipment	$ 712,169	$ 856,433	$ 1,000,475

AMWUA owns no real property. Property and equipment consist of office equipment for office operations and administration such as office furniture, computers, telephone equipment, etc. The right-of-use asset, related to AMWUA's facility lease, is 98.96% of property and equipment. Net property and equipment decreased by $144,264 during fiscal year 2026 and decreased by $144,042 during fiscal year 2025 primarily due to amortization of the leased office building.

Currently Known Facts, Decisions, or Conditions

In June 2026, the AMWUA Board of Directors approved the fiscal year 2027 budget. The fiscal year 2027 budget increased by 1.73% over the fiscal year 2026 budget. The actual assessments to the members are being increased and include a $190,000 carryover from prior year. Comparing the fiscal year 2027 budget to fiscal year 2026 budget after the carryovers, there is a 2.71% decrease.

Requests for Financial Information

This financial report is designed to provide a general overview of AMWUA's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director of AMWUA.

Arizona Municipal Water Users Association
Statements of Net Position
June 30, 2026 and 2025

	2026	2025
ASSETS		
Current Assets		
Cash and cash equivalents	$ 130,742	$ 255,035
Investments	1,158,191	909,934
Prepaid expenses and other assets	18,934	42,351
Total Current Assets	1,307,867	1,207,320
Noncurrent Assets		
Net OPEB asset	33,021	34,743
Capital assets, net	712,169	856,433
Total Noncurrent Assets	745,190	891,176
Total Assets	2,053,057	2,098,496
Deferred Outflows of Resources		
OPEB plan items	5,268	2,104
Pension plan items	176,245	189,566
Total Deferred Outflows of Resources	181,513	191,670
Total Assets and Deferred Outflows of Resources	$ 2,234,570	$ 2,290,166

	2026	2025
LIABILITIES		
Current Liabilities		
Accounts payable	$ 55,821	$ 33,497
Compensated absences payable	77,452	67,039
Lease liability	138,849	124,347
Total Current Liabilities	272,122	224,883
Noncurrent Liabilities		
Net pension liability	697,095	897,684
Lease liability	782,206	921,055
Total Noncurrent Liabilities	1,479,301	1,818,739
Total Liabilities	1,751,423	2,043,622
Deferred Inflows of Resources		
OPEB plan items	9,185	12,898
Pension plan items	173,679	81,267
Total Deferred Inflows of Resources	182,864	94,165
Net Position		
Net investment in capital assets	(208,886)	(188,969)
Restricted		
Postemployment benefits	33,021	34,743
Unrestricted	476,148	306,605
Total Net Position	300,283	152,379
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 2,234,570	$ 2,290,166

Arizona Municipal Water Users Association
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2026 and 2025

	2026	2025
Operating Revenues		
Annual assessments	$ 1,759,430	$ 1,679,469
Other	1,521	59,283
Total Operating Revenues	1,760,951	1,738,752
Operating Expenses		
Salaries	871,244	802,839
Benefits	87,607	89,542
Occupancy costs	36,257	41,585
Legal and accounting	156,437	184,439
Temporary services	54,000	83,023
Water conservation	167,024	200,396
Printing and duplicating	2,547	3,297
Consulting services	4,800	4,800
Depreciation and amortization	149,362	147,958
Travel and meetings	11,234	9,922
Office supplies	5,285	7,819
Subscription and reference materials	8,817	7,631
Postage and shipping	831	636
General business insurance	5,497	5,500
Dues	13,838	5,040
Conferences	15,961	10,794
Total Operating Expenses	1,590,741	1,605,221
Operating Income	170,210	133,531
Other Nonoperating Revenues (Expenses)		
Interest on investments	56,836	46,501
Interest paid	(79,142)	(88,503)
Total Other Nonoperating Revenues (Expenses)	(22,306)	(42,002)
Change in Net Position	147,904	91,529
Net Position, Beginning of Year	152,379	60,850
Net Position, End of Year	$ 300,283	$ 152,379

Arizona Municipal Water Users Association
Statements of Cash Flows
Years Ended June 30, 2026 and 2025

	2026	2025
Cash Flows From Operating Activities		
Cash received from members and customers	$ 1,760,951	$ 1,720,555
Cash paid to employees	(1,048,449)	(918,006)
Cash paid to suppliers and vendors	(436,787)	(590,636)
Net Cash Provided by Operating Activities	275,715	211,913
Cash Flows From Capital and Related Financing Activities		
Principal paid on lease	(124,347)	(110,957)
Interest paid on lease	(79,142)	(88,503)
Purchases of capital assets	(5,098)	(3,916)
Net Cash Used in Capital and Related Financing Activities	(208,587)	(203,376)
Cash Flows From Investing Activities		
Transfers from Investment Account	841,000	691,500
Transfers to Investment Account	(1,032,710)	(760,010)
Interest on investments	56,836	46,501
Gain on investments	(56,547)	(46,333)
Net Cash Used in Investing Activities	(191,421)	(68,342)
Decrease in Cash and Cash Equivalents	(124,293)	(59,805)
Cash and Cash Equivalents, Beginning of Year	255,035	314,840
Cash and Cash Equivalents, End of Year	$ 130,742	$ 255,035
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	$ 170,210	$ 133,531
Adjustments		
Depreciation and amortization	149,362	147,958
(Increase) decrease in assets		
Prepaid expenses and other current assets	23,417	(35,715)
Increase (decrease) in liabilities		
Accounts payable	22,324	9,960
Unearned revenue	-	(18,197)
Compensated absences payable	10,413	(6,692)
Pension plan items	(94,856)	(13,066)
OPEB plan items	(5,155)	(5,866)
Net Cash Provided by Operating Activities	$ 275,715	$ 211,913

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Arizona Municipal Water Users Association (AMWUA or Association) was incorporated on March 10, 1969. The Association is a nonprofit corporation formed for the purpose of providing a forum for the discussion of planning for the solution of regional water problems, to ensure maximum efficiency and economy in maintaining and securing water and water rights, and in producing, treating, conserving, and distributing water for urban uses through the pooling of common resources and intergovernmental cooperation.

The more significant of AMWUA's accounting policies are described below.

Basis of Presentation

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Revenues are recorded when earned and expenses recorded at the time liabilities are incurred.

AMWUA is a special purpose governmental entity engaged only in business-type activities. It is required to present the financial statements required for enterprise funds, which include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows. It also requires a Management's Discussion and Analysis as required supplementary information.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Such estimates and assumptions affect the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, AMWUA evaluates its estimates and assumptions based upon historical experience and various other factors and circumstances. Management believes that its estimates and assumptions are reasonable in the circumstances; however, actual results may differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, AMWUA considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

AMWUA places all of its investments within the Arizona Local Government Investment Pool (LGIP). The fair value of the participant's position approximates the value of pool shares. Investment income is included in nonoperating revenues in the financial statements.

Capital Assets

Capital assets are initially recorded at cost. These assets are depreciated using the straight-line method over their estimated useful lives, generally 3 to 5 years for furniture and equipment. The capitalization threshold is $1,000 with a useful life greater than one year. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. The office lease asset is amortized over a 10-year term.

Operating Revenues

Operating revenues primarily reflect members' assessments for water and wastewater activities. All operating revenues are recognized when earned. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Tax-Exempt Status

AMWUA has received a tax determination letter indicating that it qualifies as a tax-exempt organization under Section 501(c)(4) of the Internal Revenue Code. AMWUA is also exempt from State of Arizona taxation.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Compensated Absences

AMWUA's personnel regulations generally provide for granting paid time off in varying amounts. Benefits are accrued when earned by employees for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment.

Contingency and Reserve Funds Status

In March 2013, the Board of Directors approved the Contingency Fund and Reserve Fund Policy directing and restricting the use of AMWUA's excess cash.

The Contingency Fund was established in the amount of $600,000 and may only be used as authorized by the Board of Directors for unanticipated emergency or extraordinary expenses. Pursuant to the policy, these funds are held in the LGIP with the Arizona State Treasurer.

The Reserve Fund was established with a balance equal to the difference between AMWUA's excess cash and the Contingency Fund. Monies in the Reserve Fund may only be used as authorized by the Board of Directors. In accordance with the policy, this fund may not be used for ongoing operational expenses but may be used for capital expenses (such as office equipment and furniture), to offset the cost of relocating the office, or for professional services that fall outside of the normal operations of AMWUA. At June 30, 2026, the balance of the Reserve Fund is $244,185. Pursuant to the policy, these funds are held in the LGIP with the Arizona State Treasurer.

Office Lease Stabilization Fund

In June 2020, the Board of Directors approved the Office Lease Stabilization Fund Policy to smooth the effect of rent increases in future years. AMWUA received six months of free rent overlapping fiscal year 2021 and fiscal year 2022. Rather than reduce budget and assessments, AMWUA kept these consistent and designated $90,000 ($45,000 in each fiscal year) to be held in the Office Lease Stabilization Fund. Beginning in fiscal year 2022, $10,000 will be utilized to reduce the office space line item in future budgets. At June 30, 2026, the balance of the Office Lease Stabilization fund is $43,686. Pursuant to the policy, these funds are held in the LGIP with the Arizona State Treasurer.

Leases

AMWUA is a lessee for noncancellable leases and recognizes a lease liability and a right-of-use lease asset (lease asset) in the financial statements. AMWUA recognizes lease liabilities with an initial, individual value of

$30,000 or more. AMWUA uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease.

At the commencement of the lease, AMWUA measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Key estimates and judgements related to leases include how AMWUA determines (1) the discount rate it uses to discount expected lease payments to present value, (2) lease term, and (3) lease payments.

- AMWUA uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, AMWUA uses the IRS applicable federal rate tables to measure the interest rate of lease liabilities as its incremental borrowing rate.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and a purchase option price that AMWUA is reasonably certain to exercise.

AMWUA monitors changes in circumstances that would require a remeasurement of its lease and will remeasure lease asset and liability if certain changes occur that are expected to significantly affect the amount of lease liability.

Lease assets are reported with other capital assets on the statement of net position.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position Flow Assumption

In the financial statements, AMWUA applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted amounts are available.

Net Investment in Capital Assets

This amount consists of capital and lease assets, net of accumulated depreciation/amortization and reduced by lease liabilities related to those assets.

Restricted Net Position

This amount is restricted by external parties such as creditors, grantors, contributors, laws or regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

This amount is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

Revision

During fiscal year 2026, AMWUA determined that certain net position previously reported as restricted did not meet the criteria for restricted net position under applicable GASB guidance. Accordingly, certain fiscal year 2025 amounts have been revised. These revisions did not have a significant impact on the financial statement line items impacted.

Accounting Pronouncements Adopted in Fiscal Year 2026

AMWUA adopted GASB Statement No. 103, *Financial Reporting Model Improvements*, for the year ended June 30, 2026. The new accounting guidance updates key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision-making and assessing a government's accountability, including MD&A, unusual or infrequent items, proprietary fund reporting, budgetary comparison information, and component unit disclosures. The adoption of GASB 103 had no impact on AMWUA's beginning of year net position.

AMWUA adopted GASB Statement No. 104, *Disclosure of Certain Capital Assets*, for the year ended June 30, 2026. The new accounting guidance enhances capital asset note disclosures by requiring certain capital assets to be reported separately, including lease assets, public-private and public-public partnership right-to-use assets, subscription-based information technology arrangement (SBITA) assets, and other intangible assets. GASB 104 also establishes additional disclosure requirements for capital assets held for sale. The adoption of GASB 104 had no impact on AMWUA's beginning of year net position.

Future Financial Reporting Requirements

The GASB has issued the following potentially significant statements which AMWUA has not yet adopted and which require adoption subsequent to June 30, 2026. AMWUA will evaluate the potential impact on AMWUA's net position.

Statement No.	Title	Adoption Required
105	*Subsequent Events*	June 30, 2027

Note 2. Cash and Investments

The provisions of State law (A.R.S. 35-323) govern the investment of funds in excess of $100,000. A.R.S. 35-323 allows for investment in certificates of deposit, interest bearing savings accounts, repurchase agreements with a maximum maturity of 180 days, pooled investment funds established by the State Treasurer, obligations guaranteed by the United States, bonds of the State of Arizona or other local municipalities, commercial paper of prime quality that is rated "P1" by Moody's investors or "A1" by Standard and Poor's rating service, and bonds, debentures, or notes that are issued by corporations organized and doing business in the United States subject to certain restrictions. For investments of less than $100,000, procedures as specified by local ordinance or resolution must be followed.

AMWUA places its cash with high credit quality financial institutions and generally limits the amount of credit exposure to the amount in excess of the Federal Deposit Insurance Corporation (FDIC) insurance coverage limit of $250,000. At June 30, 2026, the bank balance was $130,742. AMWUA had no petty cash at June 30, 2026.

AMWUA places all of its investments within the LGIP. The Arizona State Treasurer's Office operates this pool to provide professional short-term investment services to a wide array of public entities. By investing in the LGIP, participants are able to benefit from the substantial aggregate buying power of the state portfolio as well as a pool of monies from other participants.

The State Treasurer's pools consist of external investment pools, the Local Government Investment Pool (Pool 5) and Local Government Investment Pool-Government (Pool 5). The pools as an investment company are not registered with the Securities and Exchange Commission. The activity and performance of the pools are reviewed monthly by the State Board of Investment. The fair value of each participant's position in the State Treasurer's investment pools approximates the value of the participant's shares in the pool and the participants' shares are not identified with specific investments. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

The State Board of Investment provides oversight for the State Treasurer's pools, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer.

The LGIP is primarily invested in commercial paper and government agency notes, with lesser investments in repurchase agreements and corporate notes. AMWUA's funds are invested in Pool 5 with the LGIP, which is rated AAAf/S1+ by Standard and Poor's.

The following is a summary of AMWUA's cash and investments:

	2026	2025
Cash and cash equivalents	$ 130,742	$ 255,035
Investments in LGIP	1,158,191	909,934
Total cash and investments	$ 1,288,933	$ 1,164,969

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. AMWUA's investment in LGIP Pool 5 is subject to the credit quality characteristics of the underlying investments held by the pool. At June 30, 2026, Pool 5 maintained a rating of AAAf/S1+ from S&P Global Ratings.

Custodial Credit Risk

For an investment in an external investment pool, custodial credit risk generally does not apply because participants do not own identifiable securities. Accordingly, AMWUA's investment in the LGIP is not subject to custodial credit risk.

Note 3. Capital Assets

Capital assets consist of the following at June 30, 2026:

	Beginning Balance July 1, 2025	Increase	Decrease	Ending Balance June 30, 2026
Capital assets				
Furniture and equipment	$ 96,043	$ 5,098	$ -	$ 101,141
Right-of-use asset				
Leased buildings and improvements	1,409,508	-	-	1,409,508
Total depreciable assets	1,505,551	5,098	-	1,510,649
Less accumulated depreciation and amortization				
Furniture and equipment	(85,315)	(8,411)	-	(93,726)
Leased buildings and improvements	(563,803)	(140,951)	-	(704,754)
Total accumulated depreciation and amortization	(649,118)	(149,362)	-	(798,480)
Capital assets, net of accumulated depreciation and amortization	$ 856,433	$ (144,264)	$ -	$ 712,169

Capital assets consist of the following at June 30, 2025:

	Beginning Balance July 1, 2024	Increase	Decrease	Ending Balance June 30, 2025
Capital assets				
Furniture and equipment	$ 133,701	$ 3,916	$ (41,574)	$ 96,043
Leasehold improvements	7,102	-	(7,102)	-
Right-of-use asset				
Leased buildings and improvements	1,409,508	-	-	1,409,508
Total depreciable assets	1,550,311	3,916	(48,676)	1,505,551
Less accumulated depreciation and amortization				
Furniture and equipment	(119,882)	(7,007)	41,574	(85,315)
Leasehold improvements	(7,102)	-	7,102	-
Leased buildings and improvements	(422,852)	(140,951)	-	(563,803)
Total accumulated depreciation and amortization	(549,836)	(147,958)	48,676	(649,118)
Capital assets, net of accumulated depreciation and amortization	$ 1,000,475	$ (144,042)	$ -	$ 856,433

Note 4. Leases

AMWUA entered into a facility lease which expires September 2031. The related obligation under the lease agreement has been recorded at the present value of its future minimum lease payments using a discount rate of 8%. The value of the right-to-use asset at the end of the current fiscal year was $1,409,508 and had accumulated amortization of $704,754. Amortization of right-of-use assets recorded under leases is included with depreciation and amortization expense.

The future principal and interest lease payments were as follows at June 30, 2026:

	Principal	Interest
2027	$ 138,849	$ 68,670
2028	154,555	56,994
2029	171,564	44,014
2030	189,985	29,623
2031	209,935	13,702
2032	56,167	751
Total	$ 921,055	$ 213,754

Note 5. Changes in Long-Term Liabilities

Long-term liabilities consist of the following at June 30, 2026:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lease payable	$ 1,045,402	$ -	$ (124,347)	$ 921,055	$ 138,849
Compensated absences payable	67,039	95,940	(85,527)	77,452	77,452
Long-term liabilities	$ 1,112,441	$ 95,940	$ (209,874)	$ 998,507	$ 216,301

Long-term liabilities consist of the following at June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lease payable	$ 1,156,359	$ -	$ (110,957)	$ 1,045,402	$ 124,347
Compensated absences payable	73,731	13,466	(20,158)	67,039	67,039
Long-term liabilities	$ 1,230,090	$ 13,466	$ (131,115)	$ 1,112,441	$ 191,386

Note 6. Annual Assessments

AMWUA assesses membership dues based upon operating costs for the year. During fiscal year 2026, the members paid 50% of the AMWUA water portion of the budget equally and the remaining 50% was allocated based on member population. The wastewater portion of the budget is paid only by the five members who own an interest in the 91st Avenue Wastewater Treatment Plant. Wastewater assessments are based on percentage of ownership in the 204.50 million gallons per day plant.

The following summarizes the dues assessed for fiscal years 2026 and 2025. The 2026 assessments are net of a $110,000 credit given to members:

Voting Members	2026	2025
City of Chandler*	$ 128,967	$ 124,114
City of Glendale	147,342	139,486
City of Mesa	212,518	202,768
City of Peoria*	113,152	109,082
City of Phoenix	544,651	515,784
City of Scottsdale	148,559	142,399
City of Tempe	150,390	144,336
Town of Gilbert*	124,131	119,178
City of Goodyear*	96,749	92,670
City of Avondale*	92,971	89,652
Total annual assessments	$ 1,759,430	$ 1,679,469

*Member does not have an ownership interest in the 91st Avenue Wastewater Treatment Plant.

Note 7. Risk Management

AMWUA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. AMWUA carries commercial insurance for risks of loss, including property, liability, and workers' compensation and director and officers. There were no claims in any of the past three fiscal years.

Note 8. Related-Party Transactions

AMWUA's governing board is comprised of individuals from each member city. The member cities contributed nearly all revenues in the form of annual assessments during fiscal years 2026 and 2025. Annual assessments are based upon the Board-adopted budget. For additional information on annual assessments, see Note 6.

Note 9. Pensions and Other Postemployment Benefits

Plan Description

AMWUA employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the ASRS website at www.azasrs.gov.

Benefits Provided

The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Retirement Initial Membership Date	
	Before July 1, 2011	**On or After July 1, 2011**
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* Any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* Any years, age 65
Final average salary is based on	Highest 36 months of the last 120 months	Highest 60 months of the last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits

Retirement benefits for members who joined the ASRS prior to September 13, 2013 are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013 are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Health insurance premium benefits are available to retired or disabled members with five years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from $100 per month to $260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Active members are eligible for a monthly long-term disability benefit equal to two-thirds of monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999 are limited to 30 years of service or the service on record as of the effective disability date if their service is greater than 30 years.

Contributions

In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.00% (11.86% for retirement and 0.14% for long-term disability) of the members' annual covered payroll, and AMWUA was required by statute to contribute at the actuarially determined rate of 12.00% (11.83% for retirement, 0.03% for health insurance premium benefit, and 0.14% for long-term disability) of the active members' annual covered payroll. In addition, AMWUA was required by statute to contribute at the actuarially determined rate of 10.19% (10.14% for retirement and 0.05% for long-term disability) of annual covered payroll of retired members who worked for AMWUA in positions that would typically be filled by an employee who contributes to the ASRS. AMWUA's contributions related to the pension were $88,350 and $72,990 for the years ended June 30, 2026 and 2025, respectively. AMWUA's contributions to the health insurance premium benefit plan were $450 and $863 for the years ended June 30, 2026 and 2025, respectively. AMWUA funded 100% of its annual required contribution to the ASRS for the years ended June 30, 2026 and 2025.

Net Pension/OPEB Liability (Asset)

The net OPEB asset and net pension liability were measured as of June 30, 2025. The total liability used to calculate the net OPEB asset or net pension liabilities was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2024 to the measurement date of June 30, 2025.

AMWUA's proportion of the net OPEB asset or net pension liability was based on AMWUA's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2025.

At June 30, 2026, AMWUA reported the following asset and liability for its proportionate share of the ASRS' net pension/OPEB asset or liability. In addition, at June 30, 2025, AMWUA's percentage proportion for the plan and the related change from its proportion measured as of June 30, 2024 was:

ASRS	Net Pension/ OPEB Liability (Asset)	AMWUA % Proportion	Increase (Decrease) in Net Liability (Asset)
Pension	$ 697,095	0.00449%	$ (200,589)
Health insurance premium benefit (OPEB)	(33,021)	0.00461%	1,722

At June 30, 2025, AMWUA reported the following asset and liability for its proportionate share of the ASRS' net pension/OPEB asset or liability. In addition, at June 30, 2024, AMWUA's percentage proportion for the plan and the related change from its proportion measured as of June 30, 2023 was:

ASRS	Net Pension/ OPEB Liability (Asset)	AMWUA % Proportion	Increase (Decrease) in Net Liability (Asset)
Pension	$ 897,684	0.00561%	$ 90,230
Health insurance premium benefit (OPEB)	(34,743)	0.00575%	(7,153)

Expense

AMWUA recognized the following pension/OPEB expense (income) for the year ended June 30, 2026:

ASRS	Pension/OPEB Expense (Income)
Pension	$ (1,844)
Health insurance premium benefit (OPEB)	(4,705)

AMWUA recognized the following pension/OPEB expense (income) for the year ended June 30, 2025:

ASRS	Pension/OPEB Expense (Income)
Pension	$ 65,924
Health insurance premium benefit (OPEB)	(5,003)

Deferred Outflows/Inflows of Resources

AMWUA reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources at June 30, 2026:

	Pension		Health Insurance Premium Benefit (OPEB)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 46,391	$ -	$ 562	$ 5,391
Changes of assumptions or other inputs	10,020	-	-	282
Net difference between projected and actual earnings on pension plan investments	-	55,248	-	2,179
Changes in proportion and differences between contributions and proportionate share of contributions	31,484	118,431	4,706	1,333
Contributions subsequent to the measurement date	88,350	-	-	-
Total	$ 176,245	$ 173,679	$ 5,268	$ 9,185

AMWUA reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources at June 30, 2025:

	Pension		Health Insurance Premium Benefit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 50,108	$ -	$ 1,005	$ 8,389
Changes of assumptions or other inputs	-	-	-	360
Net difference between projected and actual earnings on pension plan investments	-	57,327	-	2,388
Changes in proportion and differences between contributions and proportionate share of contributions	66,468	23,940	1,099	1,761
Contributions subsequent to the measurement date	72,990	-	-	-
Total	$ 189,566	$ 81,267	$ 2,104	$ 12,898

The amounts reported as deferred outflows of resources related to ASRS pension and OPEB resulting AMWUA contributions subsequent to the measurement date as of June 30, 2026 will be recognized as an increase of the net OPEB asset or a reduction of the net pension liability in the year ending June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension	Health Insurance Premium Benefit
2026	$ (15,056)	$ (6,501)
2027	75,396	(1,509)
2028	(14,511)	(1,550)
2029	(10,520)	(961)
2030	-	(273)
Total	$ 35,309	$ (10,794)

Actuarial Assumptions

The significant actuarial assumptions used to measure the total pension liability and OPEB asset are as follows:

	2026	2025
Actuarial valuation date	June 30, 2024	June 30, 2023
Actuarial roll forward date	June 30, 2025	June 30, 2024
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	7.0%	7.0%
Projected salary increases	3.0%–8.4% for pensions	2.9%–8.4% for pensions
Inflation	2.4%	2.3%
Permanent base increases	Included for pensions	Included for pensions
Mortality rates	2017 SRA Scale U-mp	2017 SRA Scale U-mp

The actuarial assumptions used in the June 30, 2025 and 2024 valuations were based on the results of an actuarial experience study for the five-year period ended June 30, 2020.

Long-Term Expected Rate of Return

The long-term expected rate of return on ASRS plan investments was determined to be 7.0% using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage excluding any expected inflation.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	44%	4.48%
Credit	23%	4.40%
Interest rate sensitive bonds	6%	-0.45%
Private equity	10%	6.11%
Real estate	17%	6.05%
Total	100%	

Discount Rate

At June 30, 2025 and 2024, the discount rate used to measure the ASRS total pension/OPEB (asset) liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under state statute. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension/OPEB (asset) liability.

Sensitivity of the Proportionate Share of the Net Pension/OPEB (Asset) Liability to Changes in the Discount Rate.

The following presents AMWUA's proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.0%, as well as what the proportionate share of the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

ASRS	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
2026			
Proportionate share of			
Net pension liability	$ 1,103,204	$ 697,095	$ 358,746
Net insurance premium benefit (asset) (OPEB)	(25,414)	(33,021)	(39,497)

ASRS	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
2025			
Proportionate share of			
Net pension liability	$ 1,374,538	$ 897,684	$ 500,268
Net insurance premium benefit (asset) (OPEB)	(25,258)	(34,743)	(42,807)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at www.azasrs.gov.

Required Supplementary Information

Arizona Municipal Water Users Association
Schedule of the Proportionate Share of the Net Pension/OPEB Liability (Asset) and Related Ratios
Arizona State Retirement System
Last Ten Years

ASRS, Pension

	2026	2025	2024	2023	2022
Measurement date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
AMWUA's proportion of the net pension liability (asset)	0.00449%	0.00561%	0.00499%	0.00552%	0.00592%
AMWUA's proportionate share of the net pension liability (asset)	$ 697,095	$ 897,684	$ 807,454	$ 900,987	$ 777,862
AMWUA's covered payroll	$ 628,104	$ 765,534	$ 636,022	$ 641,977	$ 649,958
AMWUA's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	110.98%	117.26%	126.95%	140.35%	119.68%
Plan fiduciary net position as a percentage of the total pension liability	78.78%	76.93%	75.47%	74.26%	78.58%

	2021	2020	2019	2018	2017
Measurement date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
AMWUA's proportion of the net pension liability (asset)	0.00544%	0.00589%	0.00627%	0.00602%	0.00541%
AMWUA's proportionate share of the net pension liability (asset)	$ 942,563	$ 857,064	$ 874,444	$ 937,799	$ 873,228
AMWUA's covered payroll	$ 600,259	$ 621,646	$ 630,523	$ 586,438	$ 506,728
AMWUA's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	157.03%	137.87%	138.69%	159.91%	172.33%
Plan fiduciary net position as a percentage of the total pension liability	69.33%	73.24%	73.40%	69.92%	67.06%

ASRS, Health Insurance Premium Benefit (OPEB)

	2026	2025	2024	2023	2022
Measurement date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
AMWUA's proportion of the net OPEB liability (asset)	0.00461%	0.00575%	0.00511%	0.00565%	0.00607%
AMWUA's proportionate share of the net OPEB liability (asset)	$ (33,021)	$ (34,743)	$ (27,590)	$ (31,533)	$ (29,574)
AMWUA's covered payroll	$ 644,891	$ 784,638	$ 651,317	$ 657,096	$ 666,427
AMWUA's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-5.12%	-4.43%	-4.24%	-4.80%	-4.44%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	144.12%	137.51%	134.37%	137.79%	130.24%

	2021	2020	2019	2018
Measurement date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
AMWUA's proportion of the net OPEB liability (asset)	0.00557%	0.00604%	0.00621%	0.00593%
AMWUA's proportionate share of the net OPEB liability (asset)	$ (3,944)	$ (1,669)	$ (2,236)	$ (3,228)
AMWUA's covered payroll	$ 593,959	$ 620,006	$ 602,194	$ 564,436
AMWUA's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-0.66%	-0.27%	-0.37%	-0.57%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	104.33%	101.62%	102.20%	103.57%

NOTE: The OPEB schedules in the required supplementary information are intended to show information for 10 years, and additional information will be displayed as it becomes available. The amount presented above are as of the measurement date of the collective net pension and OPEB (asset) liability, which is the prior fiscal year.

Arizona Municipal Water Users Association
Schedule of Pension/OPEB Contributions
Arizona State Retirement System
Last Ten Fiscal Years

ASRS, Pension

	2026	2025	2024	2023	2022
Actuarially determined contribution	$ 88,350	$ 72,990	$ 88,340	$ 74,040	$ 75,950
Contributions in relation to the actuarially determined contribution	88,350	72,990	88,340	74,040	75,950
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
AMWUA's covered payroll	$ 746,830	$ 628,104	$ 765,534	$ 636,022	$ 641,977
Contributions as a percentage of covered payroll	11.83%	11.62%	11.54%	11.71%	12.01%

	2021	2020	2019	2018	2017
Actuarially determined contribution	$ 75,823	$ 67,109	$ 69,500	$ 68,727	$ 54,980
Contributions in relation to the actuarially determined contribution	75,823	67,109	69,500	68,727	54,980
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
AMWUA's covered payroll	$ 656,240	$ 586,096	$ 621,646	$ 630,523	$ 506,728
Contributions as a percentage of covered payroll	11.55%	11.45%	11.18%	10.90%	10.78%

ASRS, Health Insurance Premium Benefit (OPEB)

	2026	2025	2024	2023	2022
Actuarially determined contribution	$ 450	$ 863	$ 717	$ 1,379	$ 2,598
Contributions in relation to the actuarially determined contribution	450	863	717	1,379	2,598
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
AMWUA's covered payroll	$ 1,500,000	$ 644,891	$ 651,317	$ 657,096	$ 666,427
Contributions as a percentage of covered payroll	0.03%	0.13%	0.11%	0.21%	0.39%

	2021	2020	2019	2018
Actuarially determined contribution	$ 2,913	$ 2,859	$ 2,664	$ 2,534
Contributions in relation to the actuarially determined contribution	2,913	2,859	2,664	2,534
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
AMWUA's covered payroll	$ 593,959	$ 620,006	$ 602,194	$ 564,436
Contributions as a percentage of covered payroll	0.49%	0.46%	0.44%	0.45%

NOTE: The OPEB schedules in the required supplementary information are intended to show information for 10 years, and additional information will be displayed as it becomes available.

Note 1. Pensions

Actuarial Assumptions for Valuations Performed

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated, which is the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.

Factors That Affect Trends

The actuarial assumptions used in the June 30, 2025 valuation were based upon the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes, which were applied to the June 30, 2020 actuarial valuation. The total liabilities as of June 30, 2025 reflect changes in actuarial assumptions based upon the results of an actuarial experience study.

AGENDA ITEM #7

MANAGEMENT BOARD

INFORMATION SUMMARY

November 10, 2026

Nominating Committee for 2027 Board Chair and Vice-Chair

STRATEGIC PLAN REFERENCE

Operational Principles – Facilitate our Strength in Numbers

SUMMARY

The AMWUA Management Board is to elect a Chair and Vice-Chair to serve from January 1, 2027 through December 31, 2027. To accomplish this, the current Management Board Chair is to appoint a three-member nominating committee to recommend a candidate for Chair and a candidate for Vice-Chair at the December 9th meeting.

Per the AMWUA Bylaws, the qualifications for serving as an officer are 1) Serve as a member of the current Management Board for at least the immediately preceding twelve months; 2) Have not missed more than three Management Board meetings in the preceding twelve months; 3) Be able to serve at least one year as Chair or Vice-Chair; and 4) The Chair and Vice-Chair may serve a maximum of two consecutive years in the same position.

Based on those requirements, the Management Board members who qualify as Chair or Vice-Chair are Jeremy Abbott, David Burks, Tara Ford, Brandy Kelso, Jessica Marlow, and Ron Serio.

RECOMMENDATION

The AMWUA Management Board Chair is requested to appoint a three-member nominating committee to recommend a candidate for Chair and a candidate for Vice-Chair for 2027.