



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

**ARIZONA MUNICIPAL WATER USERS ASSOCIATION
MANAGEMENT BOARD**

MEETING NOTICE AND AGENDA

Wednesday, November 13, 2024

**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: 845 3218 4774
(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. Next Meeting Date: December 11, 2024, 10:00 a.m.
2. 2025 Legislative Agenda
3. Update on Post-2026 Colorado River Operating Guidelines
4. First Quarter Fiscal Year 2025 Financial Report
5. Nominating Committee for Board Chair and Vice-Chair for 2025

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 Management Board. Members of the AMWUA Management Board 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

3003 North Central Avenue, Suite 1550, Phoenix, Arizona 85012 • (602) 248-8482 • amwua.org

MANAGEMENT BOARD
INFORMATION SUMMARY
November 13, 2024

2025 Legislative Agenda

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-2025 Water Policy

SUMMARY

The 2025 Legislative Agenda outlines the principles and priorities that will guide AMWUA's actions throughout the session. The legislative agenda is intentionally more general than specific in order to cover the wide possibility of legislation that could be introduced in 2025.

The 2025 Legislative Agenda is a useful tool for each of the AMWUA members to incorporate into their individual legislative agendas and will increase collaboration and coordination between AMWUA staff and each member's Governmental Relations staff.

Attached is AMWUA's proposed state Legislative Agenda for 2025. AMWUA staff will review this proposed legislative agenda with the Management Board at the November 13, 2024 meeting.

RECOMMENDATION

It is requested that the AMWUA Management Board recommend to the AMWUA Board of Directors adoption of the proposed Legislative Agenda for the 2025 legislative session.

Suggested Motion: I move that the AMWUA Management Board recommend to the AMWUA Board of Directors to approve and adopt the proposed 2025 Legislative Agenda.

Attachment – Draft AMWUA 2025 Legislative Agenda

**AMWUA 2025
LEGISLATIVE AGENDA
DRAFT**

AMWUA will advocate for Legislators to:

- Understand water security is the foundation of our communities and economy, which is the direct result of municipalities investing in their water systems.
- Recognize that Arizona is facing converging challenges that threaten our water security.
- Invest in new water supplies including support for near-term options like Advanced Water Purification.
- Help ensure water continues to flow through the Central Arizona Project.
- Protect our stressed aquifer to safeguard our finite groundwater sustainability.

AMWUA will support legislation that:

Municipal Water Providers

- Supports the ability of municipal water providers to ensure the long-term viability of their communities.

Arizona State Agencies

- Ensures the Arizona Department of Water Resources and Arizona Department of Environmental Quality can effectively perform their statutory responsibilities .
- Invests in water supplies, infrastructure, and conservation through the Water Infrastructure Finance Authority of Arizona by ensuring its funds are only used for their intended purposes.

Arizona Water Management

- Upholds and enhances the Groundwater Management Act, the 100-Year Assured Water Supply Program and the Phoenix AMA's management plan and safe-yield management goal.

Colorado River

- Protects the existing priorities, rights, and contracts of our members' Colorado River water supplies.
- Supports efforts to stabilize the Colorado River system.

Water Efficiency and Conservation

- Promotes practical, effective water efficiency and conservation.

Safe Drinking Water

- Supports Advanced Water Purification.
- Protects and enhances the quality of AMWUA members' water supplies, including proposals to improve watershed management.
- Supports a sustainable funding mechanism for the Arizona Water Quality Assurance Revolving Fund.

MANAGEMENT BOARD

INFORMATION SUMMARY

November 13, 2024

Post-2026 Colorado River Operating Guidelines

ANNUAL PLAN REFERENCE

Colorado River Transition

Assist, monitor, and coordinate the impacts of reduced Colorado River water to ensure our members' interests are forefront.

Strategic Plan: Facilitate our Strength in Numbers, Collaborate and Advocate for Solutions, Safeguard Water Supplies, Prepare for Impacts of Drought & Shortage, Minimize Financial Impact

SUMMARY

Disagreements surrounding the post-2026 operating guidelines remain between the Lower and Upper Basin States. The Bureau of Reclamation (Reclamation) had planned to publish the Draft Environmental Impact Statement by the end of the year but it is clear that will not happen.

Reclamation is now starting Stage 2 of its four-step approach for modelling the proposed alternatives and concepts it received. Stage 1 focused on overall Lake Powell and Lake Mead operations and water delivery reductions. Stage 2 will examine storage and delivery mechanisms in Lake Mead and/or Lake Powell, which could include features of the current Intentionally Created Surplus as well as new storage ideas.

AMWUA staff will provide an update on Colorado River negotiations. Cynthia Campbell, Phoenix's Water Resources Management Advisor, will provide an overview of the City of Phoenix's storage concept that was submitted to Reclamation and would be included in the Reclamation's Stage 2 modeling.

RECOMMENDATION

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



MANAGEMENT BOARD
INFORMATION SUMMARY
October 22, 2024

AMWUA Fiscal Year 2025 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
Strategic Plan: Facilitate our Strength in Numbers, Educate - Excel as an Expert and Resource

SUMMARY

The AMWUA Statement of Revenues and Expenses for the period July 1, 2024 through September 30, 2024 and the Balance Sheet dated September 30, 2024 are presented for your information.

AMWUA actual revenue at the end of the first quarter is \$10,681 over year-to-date budget. This increase is due to the collection of interest revenue.

AMWUA has incurred year-to-date actual expenses that are \$41,041 under the year-to-date budget. This variance is primarily due to the savings in payroll salaries, payroll taxes and personnel due to changes in staff, as well as savings in water conservation expenses. These savings are expected to decrease or be reduced completely as open positions are filled.

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:** Statement of Revenues and Expenses
- **Attachment B:** Balance Sheet

Arizona Municipal Water Users Association
Statement of Net Position
 As of September 30, 2024

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
CURRENT ASSETS	
1015 Checking 0592	273,913.86
1025 MM #8939	553,840.89
1030 Investment Account (LGIP)	805,750.08
1050 Prepaid Expenses	56,650.19
Total Cash	\$ 1,690,155.02
CAPITAL ASSETS	
1100 Furniture & Equipment	133,700.55
1150 Leasehold Improvements	7,101.50
1160 Right-of-use Asset - Operating Lease and Short Term Operating Lease Liabilities	1,409,508.16
Total Depreciable Assets	\$ 1,550,310.21
Less Accumulated Depreciation	
1200 Accum Depreciation Furniture	-121,643.48
1250 Accum Depreciation Leasehold	-7,101.50
1265 Accumulated amortization Right-of-use asset	-458,090.12
Total 1260 Accumulated amortization	-\$ 586,835.10
Total Capital Assets	\$ 963,475.11
DEFERRED OUTFLOW OF RESOURCES	
1450 Deferred Outflow - Pension Resources	106,585.00
Total Deferred Outflow of Resources	\$ 106,585.00
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 2,760,215.13

Substantially all required disclosures are omitted, and no assurance is provided on these financial statements.

Arizona Municipal Water Users Association
Statement of Net Position
 As of September 30, 2024

LIABILITIES, DEFERRED INFLOWS OR RESOURCES AND NET POSITION

CURRENT LIABILITIES

2005 BBVA Compass Credit Card	9,008.41	
2050 Accrued Expenses	80,721.68	
2070 ICMA Withheld	350.00	
2110 Retirees Excess Benefit Clearance	3,556.50	
Total Other Current Liabilities		\$ 93,636.59

NONCURRENT LIABILITIES

2200 Deferred Revenues	22,580.20	
2210 Net Pension Liability	807,454.00	
2230 Lease Liability	1,129,443.84	
Total Noncurrent Liabilities		\$ 1,959,478.04

DEFERRED INFLOWS OF RESOURCES

2220 Deferred Inflow-Pension Resources	101,582.00	
		\$ 101,582.00

TOTAL LIABILITIES

\$ 2,154,696.63

NET POSITION

Restricted Net Position	90,247.28	
Unrestricted Net Position	515,271.22	
Total Net Position		\$ 605,518.50

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

\$ 2,760,215.13

Substantially all required disclosures are omitted, and no assurance is provided on these financial statements.

ARIZONA MUNICIPAL WATER USERS ASSOCIATION

Statement of Revenues and Expenses

(Actual to Budget Comparison)

For Period July 1, 2024 through September 30, 2024

	Year-To-Date Actual	Year-To-Date Budget	Over(Under) Year-To-Date Variance	Approved Annual Budget	Over(Under) Budget Variance
					(743,065.00)
					(1.00)
					-
					8,988.50
					10,681.24
					-
					(723,396.26)
Funding Sources					(624,764.52)
Assessment - Water	706,684.00	706,684.00	0.00	1,449,749.00	(76,710.96)
Assessment - Wastewater	251,720.00	251,720.00	0.00	251,721.00	(58,481.54)
Water Loss Control Training Program Income	0.00	0.00	0.00	0.00	(81,024.55)
2022 Carryover Applied to Reduce Member Assessments	(13,011.50)	(13,011.50)	0.00	(22,000.00)	(6,200.00)
Interest Revenues	10,681.24	0.00	10,681.24	0.00	900.00
Other Revenues	0.00	0.00	0.00	0.00	(45,000.00)
Net Revenues	956,073.74	945,392.50	10,681.24	1,679,470.00	(39,690.00)
					(12,200.00)
					(25,800.00)
Operating Expenses					(11,566.35)
Payroll (Salaries)	184,271.48	202,259.00	(17,987.52)	809,036.00	-
Deferred Compensation (ASRS Payments)	22,558.04	24,817.25	(2,259.21)	99,269.00	(35,842.08)
Payroll Processing, Taxes and Insurance	16,518.46	18,750.00	(2,231.54)	75,000.00	-
Medical, Disability and Life Insurance	21,975.45	25,750.00	(3,774.55)	103,000.00	(4,800.00)
Cell Phone Allowance	1,800.00	2,000.00	(200.00)	8,000.00	(152,510.33)
Temporary Services/Receptionist	900.00	0.00	900.00	0.00	2,414.66
Legal/Consulting Services (Ferris Contract)	15,000.00	15,000.00	0.00	60,000.00	(613.57)
Legislative Services (Aarons Company-Contract)	13,230.00	13,230.00	0.00	52,920.00	(4,516.17)
Audit - Water	0.00	0.00	0.00	12,200.00	(5,247.30)
Audit - Waste Water	0.00	0.00	0.00	25,800.00	(684.43)
Website Services	4,033.65	3,900.00	133.65	15,600.00	-
Communication Services (Kossan Contract)	0.00	0.00	0.00	0.00	(2,000.00)
Consultant-Finance/Accounting	16,657.92	13,125.00	3,532.92	52,500.00	(4,225.63)
Audio/Visual Development	0.00	0.00	0.00	0.00	(4,610.95)
IT Services	1,200.00	1,500.00	(300.00)	6,000.00	(2,527.86)
Office Space - Lease	53,489.67	51,500.00	1,989.67	206,000.00	(6,183.89)
Common Area Maintenance	6,414.66	1,000.00	5,414.66	4,000.00	(8,500.00)
Telephone	386.43	250.00	136.43	1,000.00	(1,000.00)
E-Mail/Webpage/Internet	1,483.83	1,500.00	(16.17)	6,000.00	(734.87)
Travel/Conferences	3,252.70	2,125.00	1,127.70	8,500.00	(3,416.08)
Mileage Reimbursement	315.57	250.00	65.57	1,000.00	(2,507.63)
Continuing Professional Ed	0.00	0.00	0.00	0.00	(4,156.27)
Staff Development	0.00	500.00	(500.00)	2,000.00	(2,000.00)
Copy Machine - Lease	774.37	1,250.00	(475.63)	5,000.00	-
Computer Hardware/Software	1,389.05	1,500.00	(110.95)	6,000.00	(102,318.29)
Office Supplies	1,472.14	1,000.00	472.14	4,000.00	-
Meetings	1,316.11	1,875.00	(558.89)	7,500.00	(500.00)
Outreach Efforts	0.00	2,125.00	(2,125.00)	8,500.00	(1,327,018.61)
Printing	0.00	250.00	(250.00)	1,000.00	800.00
Postage & Deliveries	65.13	200.00	(134.87)	4,000.00	3,000.00
Subscription & Reference	583.92	1,000.00	(416.08)	5,500.00	2,000.00
Dues & Memberships	492.37	750.00	(257.63)	2,000.00	5,500.00
Insurance	1,343.73	1,375.00	(31.27)	5,500.00	2,000.00
Equipment Maintenance	0.00	500.00	(500.00)	2,000.00	0.00
Water Loss Control Program	0.00	0.00	0.00	0.00	106,345.00
Water Conservation	4,026.71	26,586.25	(22,559.54)	0.00	0.00
Water Conservation - Printing	0.00	0.00	0.00	500.00	0.00
Bank Charges & Fees	0.00	125.00	(125.00)	0.00	0.00
Total Operating Expenses	374,951.39	415,992.50	(41,041.11)	1,701,970.00	

Reserve and Contingency Funds Summary:

	Balance July 1, 2024	Used	Additions	Balance June 30, 2025
Contingency Fund Balance on 06/30/24	\$600,000			\$600,000
Reserve Fund Balance on 07/01/24	\$279,741			\$279,741
Board Approved Connectivity Plan Outlay to be paid from Reserve Fund - see June 27, 2024 Minutes	\$401.00			\$401
Board Approved Water Conservation Outlay to be paid from Reserve Fund - March 28, 2024 Minutes	\$120,000.00	(\$11,820.37)		\$108,180
Balance of Reserve Fund and Contingency Funds				\$988,322

Reserve and Contingency Funds Summary

Fund Restructuring:

On March 28, 2013 the Board of Directors established a Contingency Fund in the amount of \$600,000 with monies from AMWUA's current reserve amount. The Reserve Fund shall be the difference between AMWUA's current reserve amount and the \$600,000 used to establish the AMWUA Contingency Fund.

Substantially all required disclosures are omitted, and no assurance is provided on these financial statements.

Arizona Municipal Water Users Association
Selected Information
For the three months ended September 30, 2024

The accompanying historical financial statements and budgeted financial statements include the following departures from accounting principles generally accepted in the United States of America and the guidelines for presentation established by the AICPA. The effects of these departures have not been determined.

Historical

- The financial statements omit substantially all the disclosures required by accounting principles generally accepted in the United States of America.
- The Statement of Cash Flows has been omitted.
- The Statement of Activities does not report changes in net assets between restrictions and does not include a reconciliation of beginning net assets that agrees to net assets on the statement of financial position.
- Accrued vacation and payroll accruals are not calculated monthly. These amounts will be calculated and updated at year-end.

Budget

- The budgeted financial statements omit substantially all of the disclosures required by the accounting principles generally accepted in the United States of America.
- The budgeted financial information omits substantially all of significant accounting policies.

Summary of Significant Assumptions

The financial budget present, to the best of managements knowledge and belief, the Association's expected results of operations for the budget periods. Accordingly, the budget reflects its judgment as of June 12, 2024, the date the 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 changes and payroll data.
- Additional pay increases have been built into the budget.
- Annual water assessments are allocated based upon MAG population estimates.
- Annual waste water assessments are assessed based upon flow ownership in the 91st Avenue WWTP at 204.50 mgd.
- Office space expenses are based upon actual increases as stated in the office lease.

MANAGEMENT BOARD
INFORMATION SUMMARY
November 13, 2024

Nominating Committee for Board Chair and Vice-Chair for 2025

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, 2025 through December 31, 2025. 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 11th 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 Kirk Beaty, David Burks, Tara Ford, Chris Hassert, John Knudson, 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 2025.