



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

ARIZONA MUNICIPAL WATER USERS ASSOCIATION MANAGEMENT BOARD

MEETING NOTICE AND AGENDA

Wednesday, August 14, 2024, 10:00AM

**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. Approval of the Minutes from June 12, 2024, Meeting
2. Next Meeting Date: September 11, 2024, 10:00 a.m.
3. Preparing for the 2025 Legislative Session
4. WIFA's Effort to Secure Long-Term Augmentation Project
5. ADWR's Rulemaking for Alternative Designation Rules
6. ADEQ's Rulemaking for Advanced Water Purification

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



MANAGEMENT BOARD

MEETING MINUTES

June 12, 2024

HYBRID MEETING

MEMBERS PRESENT

Ron Serio, Glendale, Chair
Tara Ford, Tempe, Vice Chair
Kirk Beaty, Avondale
John Knudson, Chandler
Ray Diaz for Barbara Chappell, Goodyear
Chris Hassert, Mesa
David Burks, Peoria
Troy Hayes, Phoenix
Brian Biesemeyer, Scottsdale

MEMBERS NOT PRESENT

Jessica Marlow, Gilbert

OTHERS PRESENT

Barry Aarons, Aarons Co.	Berenice Felix-Baca, Phoenix	Rachel Ormsby, Forvis
Michelle Barclay, AMWUA	Kathy Ferris, AMWUA	Jacob Perez Laurent, AMWUA
Paul Bergelin, AMWUA	Darrin Francom, CAP	Tina Sleeper, Tempe
Silvana Burgos, Goodyear	Jake Golden, Phoenix	Ginger Spencer, Phoenix
Brian Buzard, CAP	Laura Hixson, Gilbert	Martin Stiles, CAP
Craig Caggiano, Tempe	Simone Kjolsrud, Chandler	Warren Tenney, AMWUA
Harry Cooper, AMWUA	Kimberley Lyons, AMWUA	Sheri Trapp, AMWUA
Miranda DeWitt, Mesa	Kathy MacDonald, Mesa	Theresa Ulmer, Ulmer Consulting
	Brad Moore, AMWUA	Tammi Watson, CAP

A. Call to Order

Mr. Serio called the meeting to order at 11:00 a.m.

B. General Business – Items for Discussion and Possible Action

1. Approval of the Minutes from the May 9, 2024, Meeting

Upon a motion made by Mr. Burks and a second made by Mr. Biesemeyer, the AMWUA Management Board unanimously approved the May 9, 2024 meeting minutes.

2. Next Meeting Date: Wednesday, August 14, 2024, at 10:00 a.m.

Mr. Serio noted that there are no AMWUA Management Board or Board of Directors meetings in the month of July.

3. 2024 Legislative Session and Preparing for the Next Session

Mr. Bergelin reported that the Legislature, which has been active for 157 days, is nearing its end with a budget deal potentially being finalized by early next week. This deal could lead to the Legislature adjourning sine die, though there has been a flurry of last-minute legislative activity. He reported that this includes HB 2201, which in its latest form incorporates provisions from seven bills. Mr. Bergelin reported that of particular concern are the amendments related to converting agricultural land into residential or urban development zones, which were originally part of SB 1172 before being integrated into HB 2201.

Arizona Department of Water Resources (ADWR), and the Governor's office have raised concerns about the impact to groundwater availability due to this land conversion. To address these concerns, ADWR and the Governor's office proposed modifications to the bill, such as limiting provisions to specific areas, reducing allowable groundwater pumping, and requiring a longer history of groundwater use before qualifying for this conversion. However, these changes have faced resistance from the bill's proponents, leading to a lack of consensus. The Governor's Water Policy Council is also set to meet next Tuesday to further discuss the agricultural-to-urban conversion concept and refine the details over the summer.

In the meantime, the opposition to HB 2201 has led to the progression of several individual bills that were initially included within it. For instance, SB 1081, which involves the designation of Buckeye's service area for assured water supply, has passed the House and is on its way to the Governor's office. Similarly, SB 1181 is also expected to advance. Additionally, there are complex parliamentary maneuvers planned to revert HB 2201 to its original version, focusing solely on private water utilities' use of groundwater from the Harquahala Basin. The House is also set to vote on an amended version of SB 1172, though the amendments do not fully resolve all issues raised by ADWR and the Governor's office. The bill still presents problematic aspects regarding groundwater pumping and the qualifications for irrigation grandfathered rights. The AMWUA position on SB 1172 remains opposed.

Mr. Bergelin reported several other problematic bills are being reviewed in the Senate, including bills related to water supply management, stormwater usage for long-term storage, and certificate issuance under previous Phoenix AMA standards. Mr. Bergelin noted this session has been marked by a high volume of water-related bills, many aimed at altering ADWR's regulatory authority or impacting existing groundwater models.

Mr. Tenney emphasized the urgency of preparing for the next legislative session, as the current session has mainly focused on home builders' concerns about the Phoenix AMA groundwater model rather than addressing long-term water security. He stressed the need for a strategic approach to engage with legislators and the Governor's office, advocating for a shift in narrative to prioritize water security and long-term investments over immediate, short-term grievances.

Mr. Tenney reported the preliminary State budget indicates a lack of commitment to long-term water augmentation, which reflects a broader issue of insufficient water management planning. Mr. Tenney noted the aim is not only to educate legislators but to articulate the necessary actions required to support water security and municipal water systems, which are critical to Arizona's economy. He noted that it is crucial to recognize that Arizona's prosperity depends on investments in water systems that provide a reliable supply for its population.

Mr. Tenney reported on the need to safeguard and enhance water security amidst looming challenges, such as reduced Colorado River water deliveries for municipalities after 2026. He noted the importance of legislative support for projects like Bartlett Dam and Advanced Water Purification, the two most immediate solutions for new supplies.

Mr. Tenney reviewed a timeline and strategy to ensure support for taking a more proactive approach to the Legislature by talking with city managers, developing effective messaging, developing potential legislative proposals, and building partnerships with the business community. This would then lead to a more proactive outreach to Legislators before the session begins.

Mr. Knudson reported that the AMWUA cities are well-positioned to shift the narrative due to their deep understanding of local operations, infrastructure, and resources. The municipal water providers are uniquely capable of leveraging their infrastructure connections to work together effectively and it is crucial to initiate the narrative change within this group first, as no one else in the state has the same level of insight into their systems. He noted that to ensure clarity and impact, it's important to focus on a few key points to avoid overwhelming the legislators and city officials. Mr. Knudson re-emphasized that while each city has its own concerns and relationships, a unified narrative is essential. He reported that for Chandler, the next steps involve agreeing on a unified narrative within this group, which will then be communicated through city managers and communication teams.

Mr. Burks reported that being proactive rather than reactive can help us better manage and anticipate challenges. Having another voice at the city management level could indeed be beneficial, as these managers make key decisions influenced by staff recommendations. He suggested having another voice mirroring our concerns could help align city councils and executive management.

Mr. Biesemeyer reported that for Scottsdale, coordinating with the mayor and city manager is essential to ensure everyone is aligned and supportive at all levels. He agreed that this group needs to be proactive and start early, as each legislative session is challenging and requires a tailored approach. However, he emphasized that each city has unique relationships with their managers and councils, so sensitivity and meaningful session setup are crucial for maximum input.

Mr. Tenney clarified that AMWUA would not meet with city managers without prior discussions with this Management Board and municipal water experts to ensure a productive discussion. He reported that it is vital to communicate to the business community and legislature that broader water-related problems exist, and these could negatively impact the economy if not addressed appropriately. He noted that our continued success relies on preparation and investment in water resources and infrastructure.

Mr. Knudson responded that it is crucial for Management Board members to be present in business community discussions to meet expectations and avoid misunderstandings. He noted at the most recent Board meeting, there seemed to be a divergence in thought between AMWUA and legal counsel about legislation, emphasizing the need for a unified approach before creating a narrative.

Mr. Tenney responded this changing the narrative strategy at the Legislature is similar to the shortage awareness campaign. There's a general message that can then be individualized by the city as well as for the specific audience. AMWUA would be reaching out to the larger business groups such as Valley Partnership and members would reach out to their respective Chambers of Commerce. Regarding the previous Board meeting discussion, he noted that AMWUA's efforts have been to ensure the Assured Water Supply Program remains solid. While some Board members appreciated the spirited discussion, a more collaborative approach would be preferable going forward.

Mr. Knudson responded that managers and AMWUA members should focus on factors within our control rather than uncertain outcomes, like those projected for 2026. He added that planning should be based on what we can manage, not on unpredictable future water availability from proposals to the Bureau of Reclamation. He noted this approach should form the basis of our narrative to clearly communicate to legislators and the Governor's office to help them understand the planning challenges posed by uncertainty.

4. [Agreement with the University of Arizona for the Smartscape Program](#)

Mr. Tenney reported that AMWUA seeks approval for another annual agreement since ADWR funding is secured for fiscal year 2025. The Smartscape program has been supported by AMWUA for decades to train landscape and irrigation professionals on sustainable, desert-adapted landscaping practices. Last year, AMWUA discussed increasing our contribution from \$30,000 to \$48,000 annually, with ADWR funding the other half. Mr. Tenney noted that ADWR funding challenges for this program may arise in the future, and AMWUA staff will closely monitor this to ensure the program's continuation.

Upon a motion made by Mr. Burks and a second from Mr. Biesemeyer, the AMWUA Management Board unanimously recommended the AMWUA Board of Directors approve the Executive Director's ability to enter into a one-year agreement between AMWUA and the University of Arizona for the Smartscape program.

5. [Fiscal Year 2025 AMWUA Budget](#)

Mr. Serio noted that there were no additional comments from the Management Board regarding the presented budget.

Upon a motion by Ms. Ford and second from Mr. Hassert, the AMWUA Management Board unanimously approved to recommend the Fiscal Year 2025 AMWUA Budget to the AMWUA Board of Directors.

6. [Update on AMWUA Website](#)

Sheri Trapp, AMWUA Communications Director, reported that last year, the AMWUA website suffered a security breach, which led to significant issues. In response, AMWUA partnered with Sirius Office Solutions to enhance the site's security and concluded that rebuilding the site was more cost-effective than updating the existing one. She reported that the original 2016 site had outdated coding that made it vulnerable, so a rebuild will improve security and allow for essential updates. Ms. Trapp noted that the new site will incur a monthly service cost but that is deemed an investment for continuous monitoring and support to ensure the site's security and functionality.

Ms. Trapp reported that the redesigned site's homepage will now include a section called "How to Conserve" to emphasize water conservation efforts across the AMWUA membership and region. She noted the migration is expected to be completed overnight by the end of the week.

C. Member Reports

Mr. Hassert reported that the City of Mesa's AMI system is making good progress and should be completed by 2026. Current meter technicians have obtained EQ certifications and moved across water services departments.

D. Executive Director's Report

Mr. Tenney reported that the Bureau of Reclamation is reviewing proposals, which may broaden their environmental impact study and operational guidelines, with more information expected by year-end, despite current uncertainties.

Mr. Tenney also reported that at a conference, Tom Buschatzke noted that NIA water will be unavailable after 2027, an important consideration for water management planning.

Mr. Tenney reported that the CAWCD Board approved levying a 10-cent ad valorem tax and a 4-cent tax, with 1 cent allocated to federal repayment, keeping the 2026 capital charge at \$56, a slight increase from \$54 in 2025. However, five board members opposed the federal repayment allocation, highlighting the need for further advocacy.

E. Future Agenda Items

Mr. Biesemeyer noted ADEQ is anticipated to release draft rules regarding Advanced Water Purification.

F. Adjournment

Mr. Serio adjourned the meeting at 11:18 p.m.

AMWUA MANAGEMENT BOARD

INFORMATION SUMMARY

August 14, 2024

Preparing for the 2025 Legislative Session

ANNUAL PLAN REFERENCE

Legislation

Effectively advocate with one voice at the Legislature.

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

Strategic Plan: Collaborate and Advocate for Solutions, Safeguard Water Supplies, Reinforce Groundwater Management, Prepare for Impacts of Drought & Shortage, Pursue Post-2025 Water Policy

SUMMARY

Water was a key focus of the recently concluded 2024 legislative session, which saw lawmakers introduce at least 95 water bills introduced. We expect that lawmakers will continue to prioritize various water issues including the moratorium on residential growth outside of designated providers due to the unmet demand projected in the Phoenix AMA groundwater model, rural groundwater management, and the anticipated reduction in Arizona's Colorado River allotment after 2026. Therefore, it will be important to increase AMWUA and its member's visibility as water experts and elevate the importance of water security so that state leaders prioritizes actions that support, not harm, AMWUA cities' ability to deliver water to 3.7 million residents and businesses critical to the national economy.

AMWUA staff will review the reasons for pursuing a more proactive outreach with Legislators by elevating the importance of water security and the AMWUA municipalities direct role in that water security. This effort is to better position AMWUA and its members for the 2025 legislative session.

RECOMMENDATION

It is recommended that the AMWUA Management Board discuss and ask questions regarding AMWUA's efforts to more proactively prepare for the upcoming legislative session.

AMWUA MANAGEMENT BOARD

INFORMATION SUMMARY

August 14, 2024

Preparing for the 2025 Legislative Session

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AMWUA MANAGEMENT BOARD

INFORMATION SUMMARY

August 14, 2024

WIFA's Effort to Secure Long-Term Augmentation Project

ANNUAL PLAN REFERENCE

Colorado River Transition

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

- Support collaboration for actions to replace Colorado River water with other long-term supplies, including Advanced Water Purification, Bartlett Dam expansion, stormwater capture and reuse, and other long-term augmentation alternatives.

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

Finances & Water

Examine, analyze, and influence water positions and policies that impact our members' finances.

- WIFA – Promote investment in projects that align with the Augmentation Principles and support permanent funding for water conservation at the state level.

Strategic Plan: Collaboration and Advocate for Solutions, Safeguard Water Supplies, Prepare for Impacts of Drought & Shortage, Minimize Financial Impacts

SUMMARY

The key water legislation of 2022 empowered the Arizona Water Infrastructure Finance Authority (WIFA) to assume the oversight of a state investment of \$1.4 billion that would finance a long-term water augmentation project (\$1 billion), rural water projects (\$200 million), and conservation grants (\$200 million). The main driver for restructuring WIFA was for the State to set aside \$1 billion over three years as a “down payment” for a to-be-identified long-term augmentation project. This project was based on the well-established consensus that Arizona needs to invest in developing new water supplies if further growth can occur within our current water management framework. These new supplies will also prove critical for offsetting anticipated reductions in Colorado River water that will take place in 2027.

Although lawmakers committed \$1 billion towards this long-term water augmentation project, less than half that amount was actually allocated to WIFA. Lawmakers redirected a considerable portion of these monies back to the state General Fund due to lower than anticipated revenues. Backpedaling on this crucial project has raised questions about Arizona's commitment to its long-term water security.

Amidst questions about its funding, WIFA has continued to push forward with developing a scope of work for a long-term water augmentation project. Chuck Podolak, WIFA's Director, will provide an update regarding WIFA's effort to develop such a project at the August 14, 2024 Management Board meeting.

RECOMMENDATION

It is recommended that the AMWUA Management Board discuss and ask questions of Chuck Podolak regarding WIFA's efforts to secure a long-term augmentation project.

MANAGEMENT BOARD

INFORMATION SUMMARY

August 14, 2024

Overview of Alternative Path to Designation

ANNUAL PLAN REFERENCE

Sustainable Water Management

Promote efforts and policies that will sustain and safeguard our members' water resources and prepare for critical water management issues.

- Groundwater Management - Lead discussions and develop strategies to safeguard groundwater, including recovery's impact on the aquifer, post-2025 management issues in the AMAs, and legislation.
- Governor's Water Council – Actively protect and promote our members' perspectives.

Strategic Plan: Facilitate our Strength in Numbers, Collaborate and Advocate for Solutions, Safeguard Water Supplies, Strengthen Groundwater Management, Pursue Post-2025 Water Policy

SUMMARY

Last year, the Governor's Water Policy Council recommended a framework for an Alternative Designation (ADAWS). That recommendation included that the Governor should direct the Arizona Department of Water Resources (ADWR) to develop ADAWS through a rulemaking process.

ADWR shared draft rules for ADAWS with members of the Assured Water Supply Committee of the Governor's Water Policy Council. AMWUA staff reviewed those rules, discussed them with the Water Resources Advisory Group, and provided comments to ADWR. In reviewing the draft rules, AMWUA analyzed whether this alternative designation approach would provide long-term benefits to the aquifer as is intended in concept. At the March 13, 2024 Management Board meeting, AMWUA staff provided an overview of the ADAWS proposal and rules.

At a July 26, 2024 meeting, ADWR staff reviewed comments received about the draft rules, indicated proposed changes, and stated the formal rulemaking process would be initiated in early August with the goal of adopting ADAWS rules by the year's end. AMWUA staff has reviewed the revisions made to the draft rules and sought clarification from ADWR in anticipation of preparing comments for the formal rulemaking process.

ADWR staff will present an overview about ADAWS, the rulemaking process, and issues to raise in our comments.

RECOMMENDATION

The AMWUA Management Board is encouraged to ask questions and discuss the Alternative Designation rulemaking process.

AMWUA MANAGEMENT BOARD

INFORMATION SUMMARY

August 14, 2024

ADEQ's Rulemaking for Advanced Water Purification

ANNUAL PLAN REFERENCE

Colorado River Transition

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

- Support collaboration for actions to replace Colorado River water with other long-term supplies, including Advanced Water Purification, Bartlett Dam expansion, stormwater capture and reuse, and other long-term augmentation alternatives.

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

On July 9, 2024, the Arizona Department of Environmental Quality (ADEQ) published draft rules for Advanced Water Purification. ADEQ staff met with AMWUA members on July 23rd to discuss those draft rules and answer questions. The meeting generated discussion about technical aspects of how the rules would regulate Advanced Water Purification treatment and the credential requirements for operators who would staff these facilities. ADEQ requested comments by August 9, 2024.

This agenda item is an opportunity for the Management Board to discuss about the rulemaking process and further efforts that may be needed for Advanced Water Purification.

RECOMMENDATION

It is recommended that the AMWUA Management Board discuss ADEQ's rulemaking process to-date for Advanced Water Purification and further efforts that may be needed regarding Advanced Water Purification.