



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

**ARIZONA MUNICIPAL WATER USERS ASSOCIATION
BOARD OF DIRECTORS**

MEETING NOTICE AND AGENDA

Thursday August 22, 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: 889 7057 7007
(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 the June 27, 2024 Meeting
 - 2. Next Meeting Date: September 22, 2024
 - 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
- C. Executive Director's Report**
- D. Future Agenda Items**
- E. Adjournment**

*The order of the agenda may be altered or changed by the AMWUA Board of Directors. Members of the AMWUA Board of Directors may attend in person or by internet conferencing.

More information about AMWUA public meetings is available online at www.amwua.org/what-we-do/public-meetings, or by request.

Arizona Municipal Water Users Association



BOARD OF DIRECTORS
MEETING MINUTES
June 27, 2024
HYBRID MEETING

BOARD MEMBERS PRESENT

Councilmember Sheri Lauritano, Goodyear, President
Vice Mayor Scott Anderson, Gilbert, Vice President
Councilmember Mark Freeman, Mesa, Secretary/Treasurer
Councilmember Curtis Nielson, Avondale
Councilmember Matt Orlando, Chandler
Councilmember Bart Turner, Glendale
Councilmember Jennifer Crawford, Peoria
Councilwoman Kesha Hodge Washington, Phoenix
Mayor David Ortega, Scottsdale
Councilmember Arlene Chin, Tempe

OTHERS PRESENT

Amy Arguilez, Gilbert	Brett Fleck, Peoria	Madeleine Oliver, U of A
Barry Aarons, Aarons Co.	Adam Garrett Santiago, Scottsdale	Adam Santiago, Scottsdale
Michelle Barclay, AMWUA	Jake Golden, Phoenix	Jonathan Shuffield, Tempe
Liz Barker Alvarez, Avondale	Lauren Hixson, Gilbert	Tina Sleeper, Tempe
Hayley Barry, Glendale	Maegan Johnson, Phoenix	Ginger Spencer, Phoenix
Paul Bergelin, AMWUA	Judy Keane, Peoria	Martin Stiles, CAP
Cynthia Campbell, Phoenix	John Knudson, Chandler	Cherie Stone, Chandler
Harry Cooper, AMWUA	Ty Lee, Tempe	Warren Tenney, AMWUA
Craig Caggiano Tempe	Sina Matthes, Phoenix	Sheri Trapp, AMWUA
Ray Diaz, Goodyear	Kathy McDonald, Mesa	Theresa Ulmer, Ulmer Consulting
Kathleen Ferris, AMWUA	Craig McGinnis, SRP	

A. Call to Order

Councilmember Lauritano called the meeting to order at 11:01 a.m.

B. General Business – Items for Discussion and Possible Action

1. Approval of the Minutes from the May 23rd, 2024, Meeting

Upon a motion made by Councilmember Turner and a second from Councilmember Nielson, the AMWUA Board of Directors unanimously approved the May 23, 2024 meeting minutes.

2. Next Meeting Date: Thursday, August 22, 2024 – 11:00 a.m.

3. 2024 Legislative Session and Preparing for the Next Session

Mr. Paul Bergelin, Water Policy Advisor, reported that the legislative session ended on June 15th. The session included the introduction of 95 water-related bills reflecting the significant focus on water resource management. Out of the 95 water bills, only eight were signed into law, while 15 were vetoed by Governor Hobbs. Many of the most concerning bills were successfully blocked before reaching the Governor, thanks to the concerted efforts of various organizations and stakeholders. Particularly notable were the prevention of SB 2366, which would have undermined water designations, and SB 1041, which sought to bypass consumer protections for groundwater usage.

Mr. Bergelin reported Governor Hobbs vetoed several problematic bills that did reach her desk, including HB 2017, 2020, and 2016. The session also saw improvements to several bills that were originally problematic, such as SB 1081, which initially intended to force the Department of Water Resources to approve groundwater-based designations in Buckeye. He noted that the final version of the bill ensures that designations will be based on surface water and effluents, not groundwater, and will be subject to periodic review by the ADWR.

Mr. Bergelin reported that many of the bills seemed driven by grievances against Phoenix's Assured Water Supply Program, with attempts to weaken consumer protections under the Groundwater Management Act. While some of the worst bills were stopped or improved, the session underscored the ongoing tension around water management in the state. Also concerning, is that the State failed to invest in long-term water security, largely due to a projected \$1.3 billion budget target. Mr. Bergelin reported that lawmakers once again diverted funds from WIFA's Long-term Water Augmentation Fund, which was established in 2022 to finance significant water projects and was intended to have \$1 billion by 2025. It will now have only half of that amount.

Mr. Bergelin reported that the Governor's Water Policy Council was reconvened to discuss on the proposal to incentivize the retirement of agricultural lands for urban development to reduce overall pumping in the Phoenix Active Management Area.

Mr. Bergelin reported that the sheer number of water-related bills, coupled with their complexity, made this session particularly challenging and there is concern that similar issues will arise in the next legislative session.

Councilmember Turner asked if WIFA would legally challenge that its reduction of funds did not receive a three-quarters vote of both houses. Mr. Bergelin responded that WIFA is considering that option.

Councilmember Turner asked for clarification on the number of bills that the Board considered and changed positions from opposed to neutral. Mr. Tenney responded that regarding the bill package of HB 2201 that was considered near the end of the session, AMWUA took a position on that entire package. After that package unraveled, AMWUA continued to advocate based on the original stance of each individual bill included in that package.

Councilmember Turner asked if any legislation that AMWUA opposed was signed into law. Mr. Aarons responded no.

Vice Mayor Orlando asked what the probability of an August or later special session on water. Mr. Aarons reported that doing anything before July 30th would be difficult. If anything happens, it would likely be around Thanksgiving, but he doesn't believe it will.

Mr. Tenney reported that AMWUA expects water issues to remain a significant legislative priority due to the ongoing challenges facing Arizona. Building on our recent successes, particularly in preventing harmful bills from passing, AMWUA needs to position to "change the narrative". He noted that legislators often express the importance of water, but this must translate into meaningful action that prioritizes water security over short-term economic gains. The state's water challenges, especially concerning the Colorado River and groundwater management, require long-term solutions that state leaders must address with input from water experts like yourselves.

Mr. Tenney reported the importance of a strategic outreach plan targeting state leaders that emphasizes the gravity of the State's water challenges. Engaging organizations such as Valley Partnership and GPEC, as well as local Chambers of Commerce, will help AMWUA build alliances that can support our efforts at the legislature. Mr. Tenney noted that ensuring smart legislative decisions on water policy is vital for maintaining the water security that underpins our thriving economy. Even if success won't come overnight, it is too important not to pursue.

Mayor Ortega emphasized his commitment to prioritizing water issues in his State of the City addresses, highlighting focus on protecting the water and promoting conservation efforts. He plans to continue making water one of the top four topics in future addresses, stressing the importance of a unified approach among city leaders to address water challenges.

Mr. Aarons reported that in reflecting on the session, the Vetting Forum for Water may be no longer be effective.. He suggested that smaller, more focused discussions with key individuals could be better in finding common ground on water issues. He emphasized the importance of an open mind, aiming for consensus, and considering what is negotiable before taking rigid stances.

Mr. Aarons added that better preparation and strategic categorization of legislation in the upcoming sessions would be beneficial. He proposed continuing the legislative breakfasts for visibility among legislators and scheduling another Water 101 for new legislators. Mr. Aarons also provided insight on various political seats and competitive districts to be aware of this election season.

4. Fiscal Year 2025 AMWUA Budget

Mr. Tenney reported that no changes were made to this fiscal year budget from the last time he reported to the Board in May.

Upon a motion made by Councilmember Freeman and a second from Councilmember Anderson, the AMWUA Board of Directors unanimously approved of the Fiscal Year 2025 AMWUA Budget.

5. 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 is working closely to monitor and work towards ensuring this program's continuation.

Upon a motion made by Councilmember Turner and a second from Councilmember Nielson, the AMWUA Board of Directors unanimously approved the Executive Director's ability to enter into a one-year agreement with the University of Arizona for the Smartscape program.

6. [Consultant Agreement with The Aarons Company LLC](#)

Mr. Tenney reported that AMWUA has been utilizing the services of the Aaron's Company extensively to advocate, monitor, and evaluate legislation before the legislature. He noted that Barry Aarons and Theresa Ulmer have worked with AMWA for nearly 10 years, and the agreement is to retain the Aaron's Company through the next fiscal year. AMWUA is recommending that you authorize the Executive Director to enter into this agreement with Barry and Theresa at a monthly rate of \$4,410 through June 30th, 2025.

Upon a motion made by Councilmember Orlando and a second from Councilmember Turner, the AMWUA Board of Directors unanimously approved to authorize the Executive Director's ability to enter into the consultant agreement.

C. Executive Director's Report

Mr. Tenney reported that Kimberley Lyons is the new Office Manager . Kimberley has been with us for three weeks now, she is a quick learner, and AMWUA is glad to have her on board.

Mr. Tenney reported that AMWUA is excited to share the updated *Landscape Plants for the Arizona Desert* publication. He noted appreciation for the Board's support in printing the first 150,000 copies to ensure that each AMWUA city has copies for the launch. He said that water conservation will continue to be an important topic, and this book will be an effective tool in promoting outdoor water reduction efforts.

Mr. Tenney reported that the SRP total reservoir system is 88% full, compared to 96% full one year ago. He noted that Lake Mead is currently 32% full, and Lake Powell is at 40% full. The Upper Colorado River Basin snowpack peaked at 114% in April, but unfortunately, the runoff has not matched that above-average snowpack. The runoff into Lake Powell is now projected at around 81% of average and AMWUA will continue to monitor these conditions closely.

D. Future Agenda Items

No future agenda items were requested.

E. Executive Session

Pursuant to A.R.S Section 38.431.03.A.1 & 3, the AMWUA Board of Directors may vote to convene in Executive Session to discuss the AMWUA Legal & Policy Advisor agreement.

Upon a motion from Councilmember Orlando and a second from Councilmember Turner, the AMWUA Board of Directors entered Executive Session at 12:15pm.

The AMWUA Board of Directors returned from Executive Session at 12:52pm.

F. Consideration of Action Pursuant to Executive Session

The Board took no action.

G. Adjournment

Councilmember Lauritano adjourned the meeting at 12:53 p.m.

AMWUA BOARD OF DIRECTORS

INFORMATION SUMMARY

August 22, 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. 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 Board of Directors discuss and ask questions regarding AMWUA's efforts to more proactively prepare for the upcoming legislative session.

AMWUA BOARD OF DIRECTORS

INFORMATION SUMMARY

August 22, 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.

BOARD OF DIRECTORS

INFORMATION SUMMARY

August 22, 2024

ADWR's Rulemaking for Alternative Designation Rules

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 28, 2024 Board of Directors meeting, AMWUA staff provided an overview about the development of the ADAWS proposal and informal draft 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.

AMWUA staff will give an update on the ADAWS rulemaking process.

RECOMMENDATION

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

Amidst questions about its funding, WIFA is continuing 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 Board of Directors discuss and ask questions of Chuck Podolak regarding WIFA's efforts to secure a long-term augmentation project.