



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

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

**MEETING NOTICE AND AGENDA**

***September 26, 2024***

***11:00 a.m.***

**This meeting will be held as a Hybrid meeting.  
Attendance in person is welcomed; Others may join via Zoom.  
Access this [Link](#) to join via Zoom. Meeting ID: 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 August 22, 2024 Meeting
  - 2. Next Meeting Date: October 24, 2024
  - 3. CAGRD’s 2025 Plan of Operation
  - 4. Overview of Advanced Water Purification
- 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](http://www.amwua.org/what-we-do/public-meetings), or by request.

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**Arizona Municipal Water Users Association**

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**BOARD OF DIRECTORS**  
**MEETING MINUTES**  
**August 22, 2024**  
**HYBRID MEETING**

**BOARD MEMBERS PRESENT**

Councilmember Sheri Lauritano, Goodyear, President  
Councilmember Curtis Nielson, Avondale  
Councilmember Bart Turner, Glendale  
Councilmember Jennifer Crawford, Peoria  
Councilwoman Kesha Hodge Washington, Phoenix  
Mayor David Ortega, Scottsdale  
Councilmember Nikki Amberg, Tempe

**BOARD MEMBERS NOT PRESENT**

Councilmember Mark Freeman, Mesa,  
Councilmember Matt Orlando, Chandler

**OTHERS PRESENT**

Barry Aarons, Aarons Co.	Jake Golden, Phoenix	Adam Santiago, Scottsdale
Michelle Barclay, AMWUA	Lauren Hixson, Gilbert	Jonathan Shuffield, Tempe
Liz Barker Alvarez, Avondale	Maegan Johnson, Phoenix	Tina Sleeper, Tempe
Hayley Barry, Glendale	Judy Keane, Peoria	Ginger Spencer, Phoenix
Paul Bergelin, AMWUA	John Knudson, Chandler	Warren Tenney, AMWUA
Cynthia Campbell, Phoenix	Ty Lee, Tempe	Sheri Trapp, AMWUA
Harry Cooper, AMWUA	Kathy McDonald, Mesa	Theresa Ulmer, Ulmer Consulting
Ray Diaz, Goodyear	Craig McGinnis, SRP	
Kathleen Ferris, AMWUA		

**A. Call to Order**

Councilmember Lauritano called the meeting to order at 11:02 a.m.

**B. General Business – Items for Discussion and Possible Action**

1. Approval of the Minutes from the June 27th, 2024, Meeting

Upon a motion made by Councilmember Turner and a second from Councilwoman Hodge Washington, the AMWUA Board of Directors unanimously approved the June 27, 2024 meeting minutes.

2. Next Meeting Date: Thursday, September 26, 2024 – 11:00 a.m.
3. Preparing for the 2025 Legislative Session

Warren Tenney reported on the challenging 2024 legislative session regarding water. Mr. Tenney stressed the need to better position AMWUA members for the 2025 legislative session and improve our visibility as experts in water management. This includes elevating the importance of water security for economic stability and that AMWUA members provide water to 3.7 million residents while using only 11% of the state's water.

Mr. Tenney explained that it is important for legislators to understand water security is linked directly to providers managing and delivering their water services. Arizona is facing unprecedented water challenges, including reduced allocations from the Colorado River after 2026 and limitations on new growth for groundwater-dependent areas from a stressed aquifer. Long-term efforts to augment water resources have fallen behind, heightening the urgency for action. Water will inevitably cost more due to the challenges of maintaining water security. Mr. Tenney added that while conservation efforts are valuable, they are insufficient on their own to resolve these challenges.

Mr. Tenney said that due to these challenges, legislators should focus on securing investments in new water supplies, particularly near-term options like the Bartlett Dam project and Advanced Water Purification technology. He noted that while some may hesitate to adopt Advanced Purification, it's vital to emphasize its success and necessity. He continued that legislators must also advocate for the continued flow of water through the Central Arizona Project (CAP) in light of the uncertainties surrounding the Colorado River. Though immediate legislative action is not required, future approval from the Legislature of a negotiated agreement will be necessary. In addition, protecting the stressed aquifer and defending the Assured Water Supply Program is also critical to sustaining groundwater reliability and legislators must resist any measures that hinder the use of stored credits.

Mr. Tenney explained that AMWUA must engage actively with governmental affairs teams and business allies to emphasize the importance of water security for growth and success. Collaboration with stakeholders and conducting outreach with legislators before the session. Mr. Tenney reported that a Water 101 session for candidates, in partnership with regional water associations, is being organized. He noted that additional tools, like handouts and social media materials, that aid in increasing outreach and engagement with the Governor's office and Arizona Department of Water Resources will be key. Water security is vital for the resilience and prosperity of our desert communities, and this initiative seeks to ensure that state leaders work with water providers to safeguard Arizona's long-term water security.

Mayor Ortega noted that more outreach will help clarify the seriousness of what Arizona is facing, such as recent legislative breakfasts that were hosted by AMWUA members. He reported the City of Scottsdale's Council approved a new strategic water plan, and he touted the current development in Scottsdale for advanced water purification. Mayor Ortega agreed municipalities can better engage with the Legislature.

Mr. Tenney clarified that the Water 101 information sessions will be for legislators, candidates, and their legislative staff as well.

Councilwoman Hodge Washington welcomed the proactive approach and advocated possible in-state allocations for WIFA to support Advanced Water Purification. Councilwoman Hodge Washington suggested using intentional messaging for the advocacy of Advanced Water Purification to engage with legislators.

Councilmember Lauritano suggested simplifying the messaging, such as on social media platforms, to properly engage with legislators who are overwhelmed with information. Councilmember Lauritano

stated that public outreach such as Canal Convergence in Scottsdale are good examples for this tangible messaging. In addition, she suggested the use of a public consultant to assist in the large messaging that may need to take place in the near future. Mr. Tenney agreed and added that working with all the members to collaborate on these efforts.

Councilwoman Hodge Washington suggested understanding who the allies towards sound water policy may be in the Legislature and helping them become the champion for these water initiatives.

Councilmember Turner stated that historically, members have been strong stewards of water and will have to continue that initiative.

#### 4. WIFA's Effort to Secure Long-Term Augmentation Project

Chuck Podolak, WIFA Director, reported that WIFA is an independent state agency historically being known for providing low-cost financing for utilities through the State Revolving Funds, serving both rural and urban areas statewide. The WIFA board, overseen by an 18-member board, has identified three core areas of focus: augmentation, conservation, and reliability. He reported that the augmentation goal aims to bring between 105,000 and 500,000 acre-feet of new water supplies into the state from outside Arizona. For conservation, WIFA set a target to save 7.5 million acre-feet of water through various efforts over the lifespan of conservation projects while additionally, committing to issuing 100 new grants and loans to priority communities and utilities across the state.

Mr. Podolak stated that the Water Supply Development Fund now focuses on rural communities, excluding the Phoenix AMA. The Conservation Grant Fund is currently utilizing \$200 million in state ARPA funds for 186 grants aimed at saving 3.2 to 5.5 million acre-feet of water, with \$53 million awarded for 42 turf removal projects. He stated that for augmentation, WIFA is tasked with exploring agreements to import water into the state. Although an initial desalination proposal was unsolicited, WIFA opted for a competitive process to ensure transparency and is currently in the process of developing a robust solicitation to determine the feasibility of importing water into Arizona. He reported that the goal is to release the solicitation by November to invite partners to collaborate on building out water project concepts. These concepts will then undergo a federal environmental review and a secondary selection process to assess their political, financial, and economic viability.

Mr. Podolak continued stating that WIFA is working with cities in central Arizona to assess long-term water needs and demand for potentially expensive imported water. After discussing the availability of advanced reuse, Bartlett Dam, and temporary water transfers, the consensus was that there could be a demand of 100,000 to 500,000 acre-feet of water in 10 to 20 years, depending on price and developments related to the Colorado River. This demand will shape WIFA's continued dialogue with water users, as they explore potential off-take agreements and partnerships, with the goal to ensure that future projects align with market needs and that there is an ongoing collaboration between water users and the state.

In response to the suggestion that WIFA assist with near-term in-state solutions, Mr. Podolak explained that WIFA has a statutory mandate to focus on out-of-state water solutions while also balancing in-state needs. Although 75% of the funds must be spent on long-term augmentation projects, there has been legislative pressure to redirect some of this money toward short-term, in-state efforts. WIFA's board recently approved a strategic framework update, allowing for loan applications for in-state projects, ensuring that half of the available funds can still be used for local initiatives. He stated that while there are cheaper, nearer-term water supply projects within Arizona, there remains interest in a long-term importation project. WIFA has the resources and staff to handle

both, but focusing solely on in-state efforts would leave a gap in planning for future, large-scale water importation.

Mayor Ortega noted that there is potential for large water providers to partner with smaller providers on assistance within WIFA application processes or even with project cooperation, such as AWP. Mr. Podolak responded that partnerships and financial contributions to large augmentation projects such as AWP or Bartlett Dam may begin to put in-state allocated monies to use. Mayor Ortega and Mr. Podolak stressed that these developments will need to work simultaneously with ensuring proper infrastructure is maintained, such as the Central Arizona Project and the Salt River Project.

Councilmember Lauritano asked when the federal government would be asked to help in the augmentation process. Mr. Podolak responded that many of the water importation projects under consideration, such as a desalination project on Mexico's Pacific coast, could require tens to hundreds of billions of dollars in capital investment. Historically, the federal government has been the go-to source for such large-scale funding, but recent trends show that private sector investment has played a key role in major water projects. While it's possible that private capital could fund much of the construction, it's also not ruled out that the United States could contribute to the capital investment and has significant water needs to meet its obligations under the Colorado River Compact and to support state-level water needs. He noted that although the possibility of full federal funding exists, it is not the most common model for large water infrastructure projects in the past two decades. However, WIFA is open to various financing models and remains flexible in its approach.

#### 5. [ADWR's Rulemaking for Alternative Designation Rules](#)

Mr. Tenney reported that the Arizona Department for Water Resources has submitted rules to start the formal rulemaking process to make the Alternative Designation a reality.

Paul Bergelin, Water Policy Advisor, provided a general overview of the Assured Water Supply Program and the recent impacts to subdivision-based housing in the AMAs following ADWR groundwater modeling. While there is current a pause on new house built on certificates using groundwater, there remains ways to circumvent this regulatory process.

Mr. Bergelin reported that the Alternative Designation for Assured Water Supply (ADAWS), aims to shift development from relying on certificates of assured water supply to designations. By doing so, water providers become responsible for managing growth while adhering to groundwater usage limits, and undesignated water providers in the Phoenix AMA are potential candidates for ADAWS. ADAWS would be available in the Phoenix and Pinal AMAs due to the unmet demand shown in their groundwater models.

Mr. Bergelin reported that the ADAWS framework includes a "groundwater allowance," which determines how much groundwater a provider can pump without needing to replenish or offset it. This allowance acts as a reserve, while the "groundwater physical availability" allows for a larger volume of groundwater to be pumped, though some of it must be replenished. A key requirement for ADAWS providers is to be a Member Service Area in the Central Arizona Groundwater Replenishment District (CAGRDR). As such, they would have a minimum reporting requirement that ensures the provider has responsibility to pay for replenishment of the groundwater.

Mr. Bergelin explained that Senate Bill 1181, passed last year, does not negate the ADAWS requirements for joining the CAGRDR. Senate Bill 1181 would allow an ADAWS provider to gradually assume paying for the replenishment of groundwater pumped by Member Lands within its service

area over 15 to 20 years. The property owners would continue to cover the replenishment costs to the CAGR during that time.

Mr. Bergelin reported that AMWUA's analysis of cumulative, unreplenished groundwater pumping for prospective ADAWS providers would result in reductions in long-term pumping over the next 30 to 100 years. ADWR's analysis determined reduction in groundwater mining over the next 100 years. In addition, CAP staff project that these providers joining ADAWS could reduce the replenishment obligation of CAGR by 23% by 2044.

Mr. Bergelin reported that the Department of Water Resources is pursuing an aggressive timeline to adopt these rules. The Department has already submitted the rules to the Secretary of State, and they are anticipating a formal rulemaking process that will be undertaken through most of this fall.

Vice Mayor Anderson asked whether San Tan Valley will be pursuing the ADAWS. Mr. Bergelin responded that it will depend on how much of San Tan Valley is served by its existing system.

Councilmember Lauritano asked what the timeline is for areas looking to build subdivision homes again. Mr. Bergelin responded that it would depend on the rate in which ADWR reviews and approves an ADAWS for a provider following the rulemaking process. Mr. Tenney explained that it will take time for a provider to put together all the supplies necessary to be approved, but the ADAWS framework provides a structured path forward.

### **C. Executive Director's Report**

Mr. Tenney reported that the Bureau of Reclamation's August 24-month study shows the Colorado River will continue to be in a Tier 1 shortage in 2025 and projected to be a Tier 1 in 2026. He reported that there will be less Colorado River water following the release of the post-2026 Operating Guidelines in 2027.

Mr. Tenney reported that the election of the CAWCD Board will take place in November with six possible candidates, one of them being Brain Biesemeyer – Director of Scottsdale's Water Department.

Mr. Tenney reported that Brad Moore, AMWUA Policy Analyst, and Kimberely Lyons, AMWUA Office Manager, will both be leaving AMWUA by the end of the month. He noted that AMWUA will be looking to fill these positions as well as the Legal Counsel position.

Mr. Tenney noted that he will be facilitating the session on water at the League of Cities Conference next week.

### **D. Future Agenda Items**

Councilmember Turner corrected the date of the next future meeting from the September 22<sup>nd</sup> to September 26<sup>th</sup>.

### **E. Adjournment**

Councilmember Lauritano adjourned the meeting at 12:42 p.m.



## AMWUA BOARD OF DIRECTORS

### INFORMATION SUMMARY

September 26, 2024

## CAGR D's 2025 Plan of Operation

### 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.

*Strategic Plan: Facilitate our Strength in Numbers, Educate – Excel as an Expert and Resource, Collaborate and Advocate for Solutions, Safeguard Water Supplies, Strengthen Groundwater Management, Prepare for Impacts of Drought & Shortage, Pursue Post-2025 Water Policy, Interconnect Disciplines*

#### Colorado River Transition

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

The Central Arizona Groundwater Replenishment District (CAGR D) is required to submit to ADWR a plan every ten years to describe how it will meet its current replenishment obligations over the next 20 years and its projected obligations over the next 100 years. CAWCD staff overseeing the CAGR D have been developing the 2025 Plan of Operation for the last year and a half and intend to seek CAWCD Board approval in October.

AMWUA staff will present an overview about the CAGR D 2025 Plan of Operation including the statutory requirement for the Plan and the Plan's components along with AMWUA's perspective about the Plan.

### RECOMMENDATION

The AMWUA Board of Directors is encouraged to ask questions and discuss CAGR D's 2025 Plan of Operation

## AMWUA BOARD OF DIRECTORS

### INFORMATION SUMMARY

September 26, 2024

## Overview of 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

Advanced Water Purification (AWP) has been identified as a technology for stretching the use of existing water supplies and could help to backfill reductions in Colorado River water. Along with the expansion of Bartlett Dam, AWP is seen as a critical near-term supply that can be utilized as Arizona contends with receiving less Colorado River water and stressed aquifers. The Arizona Department of Water Quality is promulgating rules that water providers would utilize for operating AWP treatment facilities. The City of Phoenix is pursuing a regional AWP treatment plant and two additional AWP facilities, the City of Scottsdale adopted its water strategy plan that includes AWP, and other communities are considering incorporating this water resource tool.

While Advanced Water Purification is utilized around the world, it is new to Arizona water users and so the public is going to have questions. It is important that the correct information is shared so that the public has a positive perception and understanding about AWP. As part of our preparing for the 2025 legislative session, we want Legislators to understand the importance for them, as leaders, to be supportive of AWP.

The purpose of this agenda item is to provide the AMWUA Board of Directors with an overview about Advanced Water Purification, so Board members have a better understanding about AWP and better able to convey the benefits of this technology. Troy Hayes, Water Services Director for the City of Phoenix, and Kevin Rose, Interim Water Services Director for the City of Scottsdale, will each give a presentation about their respective municipalities' efforts to utilize Advanced Water Purification.

### RECOMMENDATION

The AMWUA Board is encouraged to ask questions and discuss Advanced Water Purification and its role in Arizona water management.