Pinal County Water Augmentation Authority

MEETING MINUTES

MINUTES OF JUNE 14, 2022:

A meeting of the Pinal County Water Augmentation Authority was convened at 7:02 a.m. both remotely through technological means and in the Pinal County Offices in Casa Grande, Arizona.

Directors Present:

- Bill Collings, Papago Butte DWID
- Stephen Q. Miller, Pinal County
- Dick Powell, City of Casa Grande (until 8:04)
- Bob Marsh, City of Maricopa
- Judy Hughes, Town of Florence
- Bryan Hartman, Maricopa-Stanfield Irrigation and Drainage District
- Jake Lenderking, Water utilities without a CAP Water Subcontract

Also Present:

- Joe Singleton, PCWAA Executive Director
- Michael Barden, Hydro Geo Chem, Inc.
- Katie Hall, N-Drip
- Cheyenne Walsh, Compass Strategies
- Mitch Basefsky, Central Arizona Project

CALL TO ORDER:

Chairman Bill Collings called the meeting to order at 7:02.

APPROVAL OF MINUTES:

Stephen Miller moved to approve the minutes from the meeting of May 10, 2022. Dick Powell seconded the motion, which carried 7-0. **COLLINGS, HARTMAN, HUGHES, LENDERKING, MARSH, MILLER, POWELL.**

TREASURER'S REPORT:

Stephen Miller noted the total of the bills and the bank balance from Great Western Bank, that the Authority was within its budget for the fiscal year. He noted that the billing for Hydro Geo Chem, Inc. was for two invoices, as an old invoice from November 2021 had not been received until recently. Bill Collings noted that the $200,000 budget request from ADWR had been successful. Dick Powell moved to accept the Treasurer's Report and pay the bills as presented. Bryan Hartman seconded the motion, which carried 7-0.

N-DRIP:

Katie Hall, Director of Sustainability, Research and Outreach for N-Drip gave a presentation on N-Drip's micro irrigation technology. Hall told membership that N-Drip had been developed over 35 years in Israel, and had been operating in the United States since 2019. Hall noted that the scant adoption of pressurized drip technology is due in part to it requiring clean (filtered) water and energy to pressurize the system, which made it more expensive for farmers. She said that N-Drip had reimagined drip technology by using a different emitter, which did not clog as easily as a conventional drip emitter. She added that the system did not require water filtration, specially sloped fields, or additional system pressure. She said that a high-pressure drip system could cost more than $2,000 / acre, requiring filters, pumps and valves, while N-Drip systems were typically less than $500 / acre, and did not require the pumps and filters. She said that the N-Drip system could accomplish this and produce higher yields using half of the water.

Jake Lenderking asked about the scope of the stated costs. Hall said that they were crop-dependent, noting that it could last for several years, depending on whether or not it was damaged through farm operations. Bob Marsh asked if the company sold their products directly or if they worked through distributors. Hall said that they worked directly with growers right now, but hoped to work through distributors as they expanded through the state.

Bryan Hartman said that the wells in their irrigation district pumped into common canals. He asked if moss was a problem for N-Drip systems. Hall said that they used a metal

screen on the intake. Hartman asked about cost. Hall said it was crop-dependent but that right now fully installed for alfalfa was $1,400/acre for three years. She said that cotton was cheaper as the spacing needs were different. Hartman indicated that a lot of farmland was rented, and asked if Hall thought that was a problem relative to making improvements. She said that she had been working with growers in Parker, and that information from there showed that the improvements were penciling out after three years. Hartman said that his lease, and many others in his area were annual. Hall said that she would follow up, and that she wanted to talk to the N-Drip technical people on what the system's portability might be. Hartman said that he had used a drip system in the past, but had difficulties with water quality and damage from gophers. Hall said that these were the challenges that she heard about most often. She said that they had not had gopher issues with the N-Drip systems, wondering if it could be attributable to the difference in the depth of the buried part of the system, or grease being applied to the N-Drip lines.

Stephen Miller noted that each farm seemed a little different from others and that growers spend time understanding the soil conditions, water issues, and slopes of each farm. He said that it would be more expensive to unlevel previously laser levelled fields in order to utilize N-Drip. He asked how much time was spent considering each individual location, or if the technology was applied in a more "off the shelf" manner. Hall said that N-Drip custom designed each field, and that a laser-levelled field would work well, and not require alteration to use an N-Drip system. She said that they worked with each grower, using weather data, soil analyses, and water quality information that is sent to the N-Drip design team and incorporated into the design work. Miller asked if the system was gravity fed. Hall said that it was, and the design of the tape allowed it work off as little as 1 psi, and about an 18-inch head from the canal or pump.

Bill Collings asked how the submains and laterals were installed for an alfalfa field. Hall said that they were installed with a backhoe and the N-Drip installation team. She said that the price she had quoted earlier included installation and an N-Drip support team. Collings asked if there was an annual fee for the support team. Hall said that there was not one right now. Collings indicated that as N-Drip was already working with PepsiCo, that there could be opportunities at their Frito Lay facility in Casa Grande. Hall agreed, and said that they had a USDA grant for test fields with Bridgestone, including one in Eloy if the Board wanted to see the technology being used.

Jake Lenderking asked if the Board should do a tour of an N-Drip facility. Bill Collings noted that Bridgestone had had a field day several months ago and asked Bryan Hartman if there would be a benefit to doing a follow up. Hartman said that he would try to facilitate setting up a field visit.

Stephen Miller said that he hoped that any legislation that was passed was broad enough to take in any technology that might result in a water savings, and not tied to a specific brand. He said that he would like a broader discussion. Bill Collings said that he would like to see two side-by-side fields with one utilizing convention drip technology and the other using the N-Drip system in order to see the differences in input costs and yields. Mitch Basefsky of

Central Arizona Project said that CAP is funding N-Drip projects with the Colorado River Indian Tribes, and that they have two adjacent fields growing the same crop, one of which was setup for N-Drip. Basefsky said that the figures that Hall quoted concerning N-Drip were consistent with what they were observing on those fields. Bill Collings asked if the figures could be shared. Basefsky said that he would check to see if they had already been made public.

PCWAA BUDGET, FY23:

Bill Collings reminded members that they had previously had a preliminary discussion of the FY 23 budget. He said that the current draft incorporated the changes that were talked about at the prior meeting. Joe Singleton said that the proposed overall budget was similar to the current one, noting that several line items were slightly more or less. He noted that there was less money in the legal line item, but that a like amount had been added to the "Sponsorships / Grants" line item. Dick Powell moved to approve the draft FY 2023 budget as presented. Stephen Miller seconded the motion, which carried 7-0.

CONTRACT WITH IMIQ LLC (JOE SINGLETON) FOR FY 2022-23:

Bill Collings reminded the group that IMIQ LLC was Joe Singleton's business construct. He said that the terms were the same as the current contract and had been sent to membership. Bob Marsh moved to approve extending the contract between PCWAA and IMIQ LLC as presented for FY 23. Dick Powell seconded the motion, which carried unanimously 7-0.

BRACKISH WATER STUDY:

Bill Collings said that the draft report on the Brackish Water Study had been considered the previous month and that some minor changes were made. Collings said that the report was detailed and well-annotated. He reiterated that the report showed a concerning level of salts in the Eloy subbasin. Michael Barden of Hydro Geo Chem agreed, noting that if certain wells were deepened it was possible that they would encounter highly saline water. He noted that there was not a lot of data for the Maricopa-Stanfield subbasin. He added that the age of the existing data was probably skewing some of the results as well. Bill Collings said that he would like to find a funding source for updated sampling data. Collings asked Barden if they could put together a scope of work for updating the data set. Barden said that he would. Bryan Hartman said that it was a very detailed and informative report. Dick Powell moved to accept the Brackish Water Study as presented. Jake Lenderking seconded the motion, which carried unanimously 7-0.

WELLFIELD OPTIMIZATION STUDY:

Bill Collings said that the report on the Wellfield Optimization Study by MATRIX New World had been considered the previous month. He said that he had no issues with the current draft. Stephen Miller moved to accept the Wellfield Optimization Study as presented. Dick Powell seconded the motion, which carried unanimously 7-0.

RESPONSES TO ADWR COMMENTS:

Stephen Miller said that ADWR had not reached out to the technical team lately. Miller said that he had reached out to ADWR Director Buschatzke and requested an update on ADWR's deliberations on the Stakeholder group's submittal.

EXECUTIVE DIRECTOR REPORT:

Joe Singleton told the Board that the Florence Town Council had met last week and voted to restore membership funding to PCWAA. Singleton thanked Judy Hughes, Florence Councilmember Anderson and their colleagues. He added that on next Wednesday, June 22, 2022 that the Bartlett Dam Study Committee was scheduled to meet and would discuss the PCWAA request to join the study at that time. He said that on 1:00 on June 27, 2022 ADWR would hold a hearing on the Pinal AMA's 5th Management Plan. He said that the hearing was largely virtual, and that those wishing to attend in person at the Historic Courthouse in Florence could RSVP to ADWR. He said that the Department would be taking comments on the Management Plan until 5:00 p.m. on June 27th. He said that the Governor's Water Augmentation, Innovation and Conservation Council was scheduled to meet on June 28, 2022 from 10:00-12:00. Singleton told members that there were links to both the Management Plan hearing and the GWAIC Council meetings on the ADWR website.

Singleton said that as they neared the end of the Authority's current fiscal year that he was working on billings and invoices to get everything over to the accountant in order to facilitate the PCWAA annual audit. He added that he was engaged in end-of-quarter and end-of-year reporting in addition to continuing to work through issues associated with the banking changeover as First Interstate Bank integrated the Great Western Bank customers and accounts. Singleton said that at a future meeting, the Authority would be briefed on funding opportunities from the Bureau of Reclamation.

LOBBYIST REPORT:

Cheyenne Walsh told members that the legislature was still in session, with about two weeks remaining until the end of the current fiscal year. She said that she had been led to believe that some key legislative members would be unavailable after June 23, 2022, placing additional emphasis on getting a budget passed soon. She said that a budget proposal had

been leaked about 10 days ago that purported to represent an agreement between the Governor's Office and the leadership of the House and Senate. She said that the proposal did not currently have enough votes to pass, saying that the biggest impediment seemed to be the amount of education funding. She said that the proposal did include a significant amount of money for water, including the Governor's proposed $1 billion over three years for supply augmentation. She told members that other water-related budgetary items include one-time appropriations of $1.5 million to ADEQ for direct potable reuse and $30 million for an irrigation efficiency pilot program through the University of Arizona's Cooperative Extension. Walsh told members that the budget proposal contained an ongoing appropriation for four new FTEs for ADWR, three of which would be attached to the Assured Water Supply Program, and one to be assigned to Flood Plain Management. She added that the proposed budget would eliminate the fund sweep for the Arizona Water Banking Authority, and transfer the responsibility for the appropriation of $1.2 million for ADWR back to the general fund.

Walsh told members that there was still much discussion of the Governor's new Water Authority concept. She said that current talk conflated the Governor's concept with the Senate water memo, which pushed back on the concept of forming a new agency and favored housing the expanded authority under the existing Water Infrastructure Finance Authority. She told members that the Water Supply Development Fund currently applied outside of the Central Arizona Water Conservation District service area, and the she and the Pinal County lobbyist were working on switching the restriction back to the original definition, which excluded counties with a population greater then 1.5 million. This revision would continue to exclude Maricopa and Pima counties, but allow Pinal County entities to access the fund. She said that the current concept for the composition of the Advisory Board, which would be advising the WIFA Board under the currently theorized construct, called for three urban members (which would include Pinal), three rural members, and one at-large member appointed by the Governor. She added that Mohave County interests were still pushing for a Rural Management Area bill. Walsh said that considering the timing of the current legislative session, that a summation of the budget and legislative activities for the session would best happen in July.

PINAL STAKEHOLDER PROCESS REPORT:

Stephen Miller noted that he had previously reported reaching out to ADWR concerning the Stakeholder submittal. He said that he hoped to update stakeholders soon. Jake Lenderking said that Director Buschatzke had said that he hoped to review and get the technical people together to discuss it further.

CHAIR'S REPORT:

Bill Collings said that he and possibly the other members of the Executive Committee would have a virtual meeting with Pinal County Engineer Chris Wannamaker this afternoon, in order to discuss the possibility of doing a joint grant application to ADEQ for stormwater

storage. He added that he asked if the Bureau of Reclamation would be willing to update the Authority concerning their grant opportunities.

Collings said that he had recently come across information about Hydrogreen Nutrition Technology, which purports to grow alfalfa on a fraction of the water used now. He said that he hoped for a briefing on the technology in the future. He added that the Water Resources Research Center's annual conference would be next month. Joe Singleton said that this years' conference would consist of one day of in-person activities and two mornings of virtual programming. Singleton said that the in-person day for the conference was July 12th, which would conflict with a PCWAA July Board meeting. He said that the two virtual mornings, from 9:00 a.m. - 12:00 p.m. would take place on the Wednesday and Thursday after the 12th. Collings said that although the Authority often does not have a Board meeting in July, that he was going to be gone during the normal August meeting date, and would prefer to meet in July instead.

CALL TO THE AUTHORITY:

There was a call to the Authority. There was no response.

CALL TO THE PUBLIC:

There was a call to the public. Mitch Basefsky of CAP said that as of yesterday that Lake Mead was at 28% of capacity and Lake Powell was at 27.5% of capacity. Basefsky said that water levels at Lake Powell were going up as runoff season has begun and 500,000 acre-feet that would normally go to Lake Mead was being held back in order to protect Lake Powell from falling below the minimum level required to generate power. Basefsky said that BOR's 24-month study from May indicated that water levels at Lake Mead would most likely dictate a Tier 2A shortage for next year. Basefsky said that the actual water levels in Lake Mead would correlate to a Tier 2B shortage, but that BOR had agreed to not count the 500,000 AF that was withheld in Lake Powell against Lake Mead for purposes of determining shortage. Basefsky said that current projections show under a best-case scenario for 2024 that it's likely that Arizona will be under a Tier 2B or Tier 3 shortage. He said that CAP is working with others in an effort to get additional water left in Lake Mead to bolster water levels. Basefsky said that there was a lot of interest in participating in the Compensated Conservation Program during 2023. He added that CAP was participating in a feasibility study for Metropolitan Water District of Southern California to treat their wastewater to potable standards, noting that they currently discharge about 300,000 AF annually into the ocean. Basefsky told members that CAP would have another CAP University information session on shortage and recovery next week. He said that the session would be available through live cast to those who registered.

NEXT MEETING DATE:

The next meeting will be held on July 12, 2022 at 7:00 a.m.

ADJOURN

The meeting was adjourned at 8:44 a.m.

William E. Collings

ATTEST: William Collings, Chairman

Stephen Q. Miller, Secretary ~~Treasurer~~