

Pinal County Water Augmentation Authority

MEETING MINUTES

MINUTES OF MARCH 14, 2023:

A meeting of the Pinal County Water Augmentation Authority was convened at 7:01 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
- Bob Marsh, City of Maricopa
- Jake Lenderking, Water utilities without a CAP water subcontract
- Bryan Hartman, Maricopa-Stanfield Irrigation and Drainage District
- Derek McEachern, Central Arizona Irrigation and Drainage District
- Matt Rencher, City of Eloy

Also Present:

- Joe Singleton, PCWAA Executive Director
- Jonathan Jennings, Advanced Weather Modification Solutions
- George Bomar, Advanced Weather Modification Solutions
- Mitch Basefsky, Central Arizona Project
- Nathan Miller, MATRIX New World Engineering
- Cheyenne Walsh, Compass Strategies

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CALL TO ORDER:

Chairman Bill Collings called the meeting to order at 7:01.

APPROVAL OF MINUTES:

Stephen Miller moved to approve the minutes as drafted from the meeting of February 14, 2023. Jake Lenderking seconded the motion, which carried 7-0. **COLLINGS, HARTMAN, LENDERKING, MARSH, MCEACHERN, MILLER, RENCHER.**

TREASURER'S REPORT:

Stephen Miller said the bills for the month included payment to Advanced Weather Modification Solutions (AWMS) for their initial work on the Cloud Seeding study, and to the University of Arizona for sponsorship of their annual conference. Miller noted that the Authority was within its budget on all items. He said that he would like to see a list of all PCWAA contributions, including any from ADWR. Jake Lenderking moved to accept the Treasurer's Report and pay the bills as presented. Bob Marsh seconded the motion, which carried 7-0.

PCWAA INVESTMENT:

Stephen Miller told members that he had spoken to a financial advisor who had become familiar with PCWAA bylaws in order to understand the Authority's situation. Miller said that they asked about PCWAA cash flows. He suggested that the executive committee follow up with a financial person to discuss investment opportunities for the Board to consider. Miller said that he wanted more information on any specific investment. Bill Collings said that the Authority had a good feel for its annual expenses.

PCWAA AUDIT WORK:

Joe Singleton said that this was a continuing agenda item. He reminded members that they had previously discussed putting together a document that framed the needs of the Authority for their annual audit, in order to solicit bids for the audit work. Singleton said that the document that was distributed ahead of the Board meeting was not the one that he had originally contemplated. He said that through putting together the information relevant to the PCWAA audit that he found that it did not lend itself to the check sheet type of format that had been initially discussed. Singleton said that the PCWAA audit had financial and compliance components and was referred to as a yellowbook audit. Singleton said that part of the current work includes non-attest services, which provide information necessary for the audit, but to which the auditors do not attest to, as they do some of the financial findings. Singleton said

that PCWAA attorney Steve Cooper had provided template language that he had used in order to solicit bids for municipal audit work.

Stephen Miller reminded members that Henry + Horne had been bought out by Baker Tilly, which in part precipitated the Authority considering who does the audit moving forward. Singleton said that he talked to Baker Tilly staff in preparing the audit scoping document, and that it was unclear that the price that the Authority has been charged for audit services would be going up soon. Bill Collings said that selection would be based on qualifications, not fees. Collings said that all things being comparable, they could stay with Baker Tilly. Collings said that a Statement of Qualifications could be prepared for the April Board meeting.

SUMMER CLOUD SEEDING STUDY:

Jonathan Jennings of AWMS said that his colleague George Bomar would update the Board concerning the regulatory environment of cloud seeding. Bomar said that the licensing framework for Arizona cloud seeding was less comprehensive than in other western states. He said that the cost of obtaining a license was modest and that there was not a public noticing provision for the application process. He added that the process to obtain a license and meet reporting obligations would be addressed in the AWMS report.

Jennings reminded members that data indicated that the cloud seeding season for the region was between July and September, and would consist on average of 23 days during that time. He said that this would translate into 23 flight hours to carry out seeding operations. He said that AWMS was using that as a basis to determine costs. He said that a similar program in Texas might use single engine Piper Comanche aircraft, but after seeing the terrain he might be inclined to use twin-engine airplanes in the Pinal area, which would be more costly. He added that some regulations often provide additional challenges related to weather conditions, etc. and indicated that there was some restricted airspace in the area.

Stephen Miller asked Jennings what he had discovered about the local terrain that led him to believing that larger aircraft might be necessary. Jennings said that some of the terrain features to the east and west of Casa Grande might lead to utilization of twin engine planes in order to provide for an extra measure of safety for the pilot. He said that AWMS was still studying the issue. Bill Collings asked if there were issues with doing cloud seeding in proximity to Indian Reservations. Jennings said that he had encountered issues in New Mexico where the tribe did not want cloud seeding taking place close to their land. He said that it would be desirable to have discussions with the affected regional tribes as part of the process in Pinal.

RESPONSES TO ADWR COMMENTS:

Nathan Miller of MATRIX New World Engineering said that they were still awaiting answers to questions that would affect the final model inputs before rerunning the model. He said that he was hopeful that they would those answers soon. Stephen Miller said that he had

corresponded with the City of Eloy and they had indicated that Eloy had updated some of their development information. Nathan Miller said that he had not seen that information yet.

EXECUTIVE DIRECTOR REPORT:

Joe Singleton told members that the partnership funding letters had gone out, and that they had received funds from Pinal County, the City of Maricopa and Central Arizona Irrigation and Drainage District as a result. He added that the City of Casa Grande and the Town of Florence had already been contributing funding before the letters going out to the other partners. He said that he would create a document that details the partnership funding requested and received for inclusion in the Board materials, per Stephen Miller's earlier request.

Singleton said that he had been engaged in a variety of administrative tasks in gathering information about the PCWAA audit and putting together the funding request letters. He said that he and Chairman Collings had met with new Florence Board member Jose Maldonado and town staff in order to begin bringing them up-to-date on PCWAA activities.

He told the group that Bartlett Dam Modification group had held additional meetings since the last PCWAA Board meeting, and the Board would be further briefed on these during the agenda topic specific to the Bartlett Dam modification. He told the Board that PCWAA had been asked to do a short presentation at the next Pinal AMA Groundwater Users Advisory Council meeting in April. He added that he would begin to put together a draft budget for the upcoming fiscal year towards the end of the month. Singleton reminded the Board that annual withdrawal and use reports were due to ADWR on March 31.

LOBBYIST REPORT:

Cheyenne Walsh of Compass Strategies said that it had been a rough legislative session so far, with the Governor vetoing 16-18 pieces of legislation that were sent to her desk. Walsh said that it seemed like the legislature might continue to pass bills that the Governor would find unfavorable in order to encourage her to veto them. Walsh said that the deadline to hear bills in committee in their chamber of origin had been extended by a week. She said that she thought that the budget negotiations would be protracted, noting that one of the bills that the Governor had vetoed was a budget resolution that sought to essentially continue the current state budget that was passed during the Ducey administration.

Bill Collings said that it appeared that any water-related legislation introduced by a Democrat had died. Walsh confirmed this saying that of about 300 bills that moved through the House of Representatives that she thought that only 4-6 were bills from Democrats.

Bryan Hartman asked about the disposition of the bill concerning a settlement between the irrigation districts and the Ak-Chin. Walsh said that the bill was moving, and should be

heard the Senate Natural Resources, Energy and Water committee this week. Walsh said that Patrick Adams, formerly with the Arizona Municipal Water Users Association had been appointed by Governor Hobbs as the Natural Resources policy advisor. Walsh said that after the new staff appointments were acclimated, that she would try to schedule meetings with Adams and staff from the Office of Resiliency.

PINAL STAKEHOLDER PROCESS REPORT:

Stephen Miller echoed Nathan Miller's earlier comments and said that they were waiting for numbers from the City of Eloy in order to finalize model inputs. Matt Rencher said that he thought that staff should be done with their work in the next week or two.

BARTLETT DAM MODIFICATION REPORT:

Bill Collings said that the Bartlett Dam Modification group had held a steering committee meeting and a needs subcommittee meeting since the PCWAA Board had last met. Collings told the Board that the Steering Committee had approved the guiding principles for allocations that the subcommittee had been working on. He said that the subcommittee would continue to work on needs criteria associated with those guiding principles. He said that the Needs subcommittee had utilized two working groups at their last meeting, exploring groundwater issues in one and surface water issues in the other. Collings said that the Needs subcommittee would meet again on March 29, 2023.

CHAIR'S REPORT:

There was no report from the chair.

CALL TO THE AUTHORITY:

There was a call to the Authority. Bob Marsh said that he had attended a three-day conference on "Becoming Water Smart" that was put on by the Babbitt Center and the Sonoran Institute. He commended the conference content and speakers. Marsh said that Maricopa was exploring reducing water use on turf acres through the area home owners associations. Jake Lenderking said that the WIFA cleanup legislation was still moving through the legislature. Lenderking reminded members that the legislation would allow private water companies to directly participate in applying for grants. Bill Collings said that PCWAA was supporting the legislation. Bryan Hartman thanked members for supporting the Ak-Chin settlement legislation. He said that he had been getting calls concerning surface water spills in the Salt River Project (SRP) system from people who wanted to know if the water being spilled in the SRP system could be routed to the Pinal area through the CAP system. Joe Singleton said that in addition to some legal issues, that the interconnect between the CAP and SRP systems currently only

allowed for water to go from the CAP to the SRP system, and not the other way. Singleton told members that SRP was exploring constructing a two-way interconnect but that water could not currently be taking from the SRP system to the CAP system. Stephen Miller said that as a CAP Board member, he was open to an expanded interconnect between the two systems.

CALL TO THE PUBLIC:

There was a call to the public. Mitch Basefsky of CAP said that SRP/CAP interconnect was part of the CAP capital budget. Basefsky said that the System Use Agreement that could allow for other waters to be transported through the CAP canal was still awaiting approval from the Bureau of Reclamation. He said that the snowpack in the Rockies was about 140% of the 30-year average. He said that if conditions held that they could receive a 7.48 million acre-foot (MAF) release from Lake Powell into Lake Mead, rather than the 7 MAF release that had been anticipated. Basefsky said that April study serves as the mid-year review for the water season and would determine the amount of the eventual release.

Basefsky said that CAP staff had analyzed the proposals to cut Colorado River water use from California and the proposal from the other six basin states. He said the consensus-based modelling approach, which accounts for about 1.5 MAF of evaporation along the Colorado system and is dependent on the location within the system, that it would result in about a 17% cut to municipal and industrial priority water, a 13% cut to Indian priority water at a minimum and would result in an immediate T3 shortage condition. He said that a maximum, the cuts would be 35% to and 32% respectively. He said that the proposal from California would result in 50-100% of Arizona's CAP water being cut. He said that the Bureau of Reclamation was to decide on the method of reduction in use sometime in April. Basefsky said that they could decide on either proposal, neither or a mixture of elements from each. He indicated that continued good hydrology during the last of the snow season could mitigate some of the cuts that might otherwise be called for in 2024. Bryan Hartman asked if the municipal and industrial priority water that Arizona Water Company and Freeport McMoRan stored in the irrigation district was protected for 2023. Basefsky confirmed that it was, noting that in 2024 municipal and industrial priority water could be cut by 15-50%.

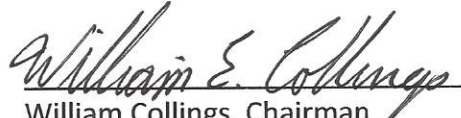
NEXT MEETING DATE:

The next meeting will be held on April 11, 2023 at 7:00 a.m.

ADJOURN

The meeting was adjourned at 8:22 a.m.

ATTEST:


William Collings, Chairman


Stephen Q. Miller, Secretary-Treasurer