

Pinal County Water Augmentation Authority

MEETING MINUTES

MINUTES OF SEPTEMBER 12, 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
- Melissa Campbell, City of Coolidge
- Bob Marsh, City of Maricopa
- Fred Schneider, Water utilities with a CAP water subcontract (at 7:03)
- 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

Also Present:

- Joe Singleton, PCWAA Executive Director
- Cheyenne Walsh, Compass Strategies
- Lonnie Frost, Pinal County
- Brandon Gaylord, Pinal County
- Nathan Miller, NATRIX New World Engineering
- Brianna McClure, MATRIX New World Engineering
- Hunter Moore, Cazador Consulting
- Pat Holbrook
- Mitch Basefsky, Central Arizona Project

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CALL TO ORDER:

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

APPROVAL OF MINUTES:

Melissa Campbell moved to approve the minutes as drafted from the meeting of August 8, 2023. Bob Marsh seconded the motion, which carried 6-0. **CAMPBELL, COLLINGS, HARTMAN, LENDERKING, MARSH, McEACHERN.**

"WATER WISE" CAMPAIGN, BOYCE THOMPSON SOUTHWEST ARBORETUM:

Bill Collings moved forward on the meeting agenda to item 4. Collings said that the Arboretum had again asked for \$25,000 in their efforts to improve the irrigation system and make water-related improvements at Boyce Thompson Southwest Arboretum. He said that the Arboretum had secured more than 60% of the funding that they had originally sought for these improvements, noting that members should have already received the funding request letter from the Arboretum. He said that they had made progress, completing about 75% of improvements to the irrigation system and sealing cracks in their dam. Collings said that he felt assisting the Arboretum in making their improvements would be of benefit to the whole county. Bob Marsh moved to grant Boyce Thompson Southwest Arboretum \$25,000 for "Water Wise" improvements at the Arboretum. Melissa Campbell seconded the motion, which carried 7-0. **CAMPBELL, COLLINGS, HARTMAN, LENDERKING, MARSH, McEACHERN, SCHNEIDER.**

TREASURER'S REPORT:

Joe Singleton noted the monthly bills presented were for regularly occurring expenses, which included Compass Strategies and Matrix New World Engineering. He added that the invoice from Baker Tilly was not for audit work, which was still in progress. Singleton said that the check received from ADWR was highlighted in yellow, and indicated that it was not included in the current year total as it belonged in the recently-completed fiscal year. Melissa Campbell moved to accept the Treasurer's Report and pay the bills as presented. Jake Lenderking seconded the motion, which carried 7-0.

BARTLETT DAM MODIFICATION:

Bill Collings moved forward on the agenda, and Joe Singleton told members that the Bartlett Dam Modification Group had rescheduled meetings of the Needs subcommittee and Steering Committee. He said that the Needs group would meet on September 21, 2023, and that the Steering Committee meeting had been moved to October 31, 2023 to coincide with the annual cost share meeting of the Bartlett Modification partners. Bill Collings added that

PCWAA supply and demand analysis for the Needs subcommittee had indicated about 33,000 acre-feet of unmet demands. Collings noted that the Needs group had discussed a de minimis amount for all users, and that area water providers would need to seriously consider how to meet a \$15-45 million commitment for new storage capacity at Bartlett Dam. Collings said that he hoped for feedback from member obligations, and noted that PCWAA would likely lose the ability to gain any capacity by the end of the year without a demonstration of ability to pay. Jake Lenderking asked what the financial commitment would entail. Collings said that putting up the money should certainly work, but that a commitment to pay in a Memo of Understanding should serve for now.

EXECUTIVE DIRECTOR REPORT:

Joe Singleton said that the Governor's Water Policy Council Assured Water Supply (AWS) subgroup had met on August 15, 2023. He said that the discussion at that meeting concerned build-to-rent subdivision, which had been an issue during the last legislative session. Singleton reminded the group that build-to-rent subdivisions, offered for rent or leases of less than a year were not subject to Assured Water Supply provisions, as the rental terms less than one year excluded these developments from the Arizona definition of a subdivision, which in turn meant that the Assured Water Supply rules did not apply to these kinds of developments. He added that they had also discussed wildcat developments and retiring grandfathered water rights, and that the group would meet again later this morning to continue those discussions. Singleton said that the whole group had met on September 6, 2023 and heard updates from the AWS group as well as the Rural Groundwater group. He said that the Rural Groundwater group was examining management structures and data needs like water measurement and reporting, and that they would meet again this week.

Singleton told members that he had worked with the Cloud Seeding group. He said that he had reached out to Advanced Weather Modification Solutions on proceeding with obtaining permitting for a cloud seeding program. Singleton said that initially they wanted to know about whose name needed to be on the permit in order to satisfy regulatory requirements.

Singleton said that the Water Infrastructure Finance Authority Board (WIFA) would be meeting in Florence next week. He said that PCWAA was asked to do a presentation on their activities and makeup. He told members that the Arizona Water Banking Authority (AWBA) would be having their quarterly meeting tomorrow at 10:00. Singleton reminded members that the AWBA utilizes their fall quarterly meeting to release their draft plan of operations for the upcoming year and to begin soliciting feedback on the plan. He said the Pinal AMA Groundwater Users Advisory Council would be meeting next week, and would likely be discussing the AWBA draft plan and making a recommendation to ADWR Director Tom Buschatzke on next years' withdrawal fees.

Singleton told members that he had been working with the audit team at Baker Tilly, and that their work on the PCWAA audit was nearly complete. He said that he had signed the representation letter, which was usually near the end of the audit process. Singleton said that

in the past, the audit required two final reviews before it was released. He told members that Baker Tilly staff was aware of the Authority's deadline to get the audit submitted to the Arizona Auditor General's Office.

Bryan Hartman said that Brian Yerges, the general manager of the Maricopa-Stanfield Irrigation and Drainage District and companion Electrical District 3 was asked by WIFA to make a presentation concerning the District's grant application.

Bill Collings asked about GWP Council discussion of grandfathered rights. Singleton said that it is allowable in state statute for ADWR to have a purchase and retirement plan for irrigation grandfathered rights in their management plans. He said that the concept had come up at the meeting, and that it had been considered in previous management plans and dismissed as it was not cost effective. Singleton told members that ADWR staff suggested attempting to purchase the water rights without purchasing the appurtenant land in order to reduce the cost. Singleton said that he had expressed doubts at the meeting that many growers would be interested in selling their water rights without selling the land.

LOBBYIST REPORT:

Cheyenne Walsh of Compass Strategies reminded the group that the state legislature adjourned sine die on July 31, 2023. She said that she had hoped that such a late adjournment date would push back the normal legislative timeline that sees activities ramp up right after Labor Day weekend, but said that no such delay seemed to be happening. She again suggested that any legislative policy development that the Board might wish for next session should begin soon. She reminded members that the 2024 legislative session would begin on January 8, 2024. Walsh said that the 2024 state budget was \$18 billion, with just a \$8 million cash balance. She said that the tighter budget could lead to a more abbreviated session. She noted that in addition to little excess money to deliberate appropriating, that all 90 legislative seats would be coming up for election which might provide more incentive to legislators to adjourn promptly and return home to campaign.

Bill Collings asked Walsh if there might be any interest at the legislature to fund cloud seeding projects next year. Walsh said that projects requiring new funding would likely be hard to pass next year given the budget situation. She added that she and Joe Singleton had spoken about doing legislative outreach to begin introducing the concept to different members. Collings said that he thought that Arizona was the only western state that did not budget for cloud seeding. Walsh said that she thought the legislative outreach was a good idea even if there was no funding available this year, as it could facilitate obtaining funding in the future when the budget situation changed if members were already informed about the project.

PINAL STAKEHOLDER PROCESS REPORT:

Jake Lenderking, Co-chair of the Stakeholder group said that the group had not held any big meetings in a while. He said that the group was waiting to address some of the modelling considerations that ADWR brought up when the Stakeholder Group submitted their package to ADWR last year.

CHAIR'S REPORT:

Chairman Collings said that he was exploring the possibility of applying for a WIFA long-term augmentation program loan for an initial cloud seeding program. Collings noted that a loan would allow for the cost of the program to be paid over several years and to develop a credit history for the PCWAA.

PINAL AWS MODELLING:

Nathan Miller of MATRIX New World Engineering briefed the Board on the updated modelling efforts. He told members that they had received feedback from ADWR about a year ago regarding the package of recommendations sent to ADWR through the Pinal Stakeholder process. He said that ADWR had called out a few things about the Stakeholder modelling that they wanted changed, and asked for a correction to a recharge figure.

Miller said that after some delay it was decided to use 48,526 acre-feet annually as the long-term groundwater pumping figure for the City of Eloy. He said that storage facility recharge had been added into the ADWR model for 2016-2020, but that the corresponding amount of long-term storage credits need to be revised. Miller said that MATRIX had also added in stream recharge associated with the Gila River. He told the group that those changes applied to all 5 elements that MATRIX had examined for PCWAA which were 1) to change/correct/update the 2019 ADWR Groundwater model; 2) Deepening the AWS and municipal wells to allow for them to pump from the entire depth of the aquifer; 3) Resolving unmet demands associated with certificates of assured water supplies and designations of assured water supplies; 4) Resolving unmet demands associated with analyses of assured water supplies; 5) Proposed changes for how pumping and agricultural recharge within the San Carlos Irrigation and Drainage District is accounted for within the ADWR groundwater model.

Miller said that some of MATRIX's efforts applied specifically to elements 3-5, and that they had revised their work to reflect that parts of the Arizona Water Company's Pinal service areas are discontinuous and made other efforts to protect long-term storage credit pumping and some future long-term storage credit pumping. Miller said that work that applied only to element 5, that ADWR had requested that the canal seepage numbers be changed back to the original numbers from the ADWR model. Miller added that agricultural pumping within the irrigation districts had been refined, with no CAP agricultural pool deliveries being assumed between 2021 and 2030. Miller showed the group the effect that these revisions had in various

slides. He said that MATRIX was finalizing their report in the revisions for submittal back to the Department. He said that the Department had requested letters from the water providers who's pumping was redistributed to indicate acknowledgment of the changes. Miller said that after the letters were obtained, all the information would be submitted to ADWR.

Bill Collings said that it sounded like it would take several months to get the letters back from the providers who's pumping was moved in the modelling. He asked if the revised work and letters could be submitted to the Department by the end of year. Miller said that he thought that timeline was workable. He added that he had already spoken to most of the effected providers.

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 Central Arizona Project (CAP) said that water levels at Lake Mead indicated a Tier 1 shortage for next year. He said that after consideration of those forgoing supplies for payment (compensated conservation) CAP was currently anticipating more than 800,000 acre-feet of deliveries next year. Basefsky said that the 5-year modelling had been completed and that the Colorado River Modelling System showed a 100% chance of being in Tier 1 conditions next year and a 90% chance of remaining there the following year, with only a 3% chance of reverting back to Tier 2a shortage conditions like those experienced in 2023. He said that beyond 2025 there was a 50% chance of remaining in Tier 1 shortage conditions, with a 20% chance of falling back to Tier 2a conditions in 2026, and a small chance of Tier 3 shortages in 2027. Basefsky said that they expected about 400,000 acre-feet to be preserved in Lake Mead through various conservation agreements this year and about the same the following year, and a significant amount the year after that. He said that results of the system conservation agreements that were already signed should amount to 1,100,000 acre-feet total by the end of 2025. He reminded members that these volumes were in addition to amount that were saved through the Drought Contingency Plan.

Basefsky told members that as it appears that the immediate crisis had been averted, that the Colorado River Basin states had began normal meetings for the 2027 Colorado River Guidelines Reconsultation. He said that the Arizona Reconsultation Committee was also having occasional meetings.

NEXT MEETING DATE:

The next meeting will be held on October 10, 2023 at 7:00 a.m.

ADJOURN

The meeting was adjourned at 7:54 a.m.

ATTEST:


William Collings, Chairman


Stephen Q. Miller, Secretary-Treasurer