

# ***Pinal County Water Augmentation Authority***

## **MEETING MINUTES**

### MINUTES OF OCTOBER 10, 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
- Stephen Q. Miller, Pinal County
- Jake Lenderking, Water utilities without a CAP water subcontract
- Derek McEachern, Central Arizona Irrigation and Drainage District

### Also Present:

- Joe Singleton, PCWAA Executive Director
- Cheyenne Walsh, Compass Strategies
- Lonnie Frost, Pinal County
- Nathan Miller, MATRIX New World Engineering
- Pat Holbrook
- Mitch Basefsky, Central Arizona Project

---

P.O. Box 12684, Casa Grande, Arizona, 85130-2684

Office: 520-518-1726

Web: [www.pcwaa-az.org](http://www.pcwaa-az.org)

---

#### CALL TO ORDER:

Chairman Bill Collings called the meeting to order at 7:00.

#### APPROVAL OF MINUTES:

Bob Marsh moved to approve the minutes as drafted from the meeting of September 12, 2023. Stephen Miller seconded the motion, which carried 6-0. **CAMPBELL, COLLINGS, LENDERKING, MARSH, McEACHERN, MILLER.**

#### TREASURER'S REPORT:

Stephen Miller noted the monthly bills presented were for regularly occurring expenses, which included Compass Strategies and reimbursement to Joe Singleton for some office expenses. Jake Lenderking moved to accept the Treasurer's Report and pay the bills as presented. Bob Marsh seconded the motion, which carried 6-0.

#### FY 23 PCWAA AUDIT:

Joe Singleton referred members to their copies of the recently-completed audit of the PCWAA FY 2023 finances. Singleton said that audit did not indicate any problems, and represented only minor format differences with the previous audits completed by Henry and Horn. He did tell members that the financials noted a receivable figure of \$ 220,000. He said that the \$200,000 from ADWR was still outstanding at the end of the fiscal year, which would account for most of that number, and added that there is a final fiscal year invoice for a quarter (\$5,000) of the money received from the City of Casa Grande that is not billed until after the end of the 4<sup>th</sup> quarter (which is the end of the fiscal year) as is therefore always outstanding at the end of the fiscal year. Singleton said that the receivable in the financial statements probably should have been noted as \$205,000 but that it was missed in the preparation work between himself and the accountant. He said that when he realized that the documentation had been moved forward with the larger figure that he contacted Baker Tilly on how to proceed. He said that conversation with the audit team at Baker Tilly indicated that \$15,000 of the receivable amount could be written down later to square the paperwork and that the audit was still technically correct. Stephen Miller asked if there was a different way to list PCWAA receivables since they do not generally denote legally enforceable receivables in the way that most might be used to seeing them. Bob Marsh moved to approve the FY23 PCWAA audit. Stephen Miller seconded the motion which carried 6-0. **CAMPBELL, COLLINGS, HARTMAN, HUGHES, LENDERKING, MARSH, MILLER, RENCHER, SCHNEIDER.**

#### RESPONSES TO ADWR COMMENTS:

Nathan Miller of MATRIX New World Engineering said that they had interacted with ADWR regarding future long-term storage credits. He said that they came to an agreement on how to show these (or not include them) in Pinal modelling work. He said that MATRIX would respond to this and submit the revised work to ADWR. Bill Collings asked when the submittal would happen. Miller said that the changes to the future long-term storage credit modelling could be done quickly, but noted that the various providers who were shown to have wells that were moved in the modelling efforts still needs to sign off on the work, but hoped to accomplish this and have something submitted in early November 2023.

#### BARTLETT DAM MODIFICATION:

Joe Singleton told members that the Bartlett Dam Modification Group had met and continued to work on allocation criteria. Singleton said that some of the allocation criteria seemed to favor those with CAP allocations. He said that the Steering Committee would meet at the end of the month. Bill Collings added that among the allocation scenarios currently being developed and discussed, one consisted of a groundwater reduction scenario that would call for a one-to-one reduction in groundwater use with a Bartlett surface water allocation. He said that PCWAA financial commitments for Bartlett capacity would need to be firmed up by the end of the year. Collings said that PCWAA Treasurer Stephen Miller and himself would be hosting a meeting with regional managers to discuss developing the financial commitments that would be necessary to backstop PCWAA financing. Jake Lenderking asked about documentation that supports or explains the Bartlett modification process.

#### EXECUTIVE DIRECTOR REPORT:

Joe Singleton said that the Arizona Water Banking Authority (AWBA) had held their quarterly meeting on September 13, 2023 and discussed their preliminary Plan of Operations for 2024. He told the group that the current plan proposes relying on credit purchases in the Tucson and Phoenix AMAs. He said that the Groundwater Users Advisory Council had met on September 19, 2023 and heard the presentation of the AWBA draft plan and made recommendations to the director of ADWR on next years' withdrawal fees. Singleton said that the Water Infrastructure Finance Authority had met in Florence in September. He said that he had made a short presentation on PCWAA and the recent activities of the Augmentation Authority.

Singleton said that the Governor's Water Policy Council's Assured Water Supply (AWS) subgroup had met on September 27, 2023. He said that the discussion at that meeting concerned an alternate path to a designation of assured water supply and wildcat subdivisions. Singleton said that the current proposal, which is still in draft form, would allow a non-designated provider to become designated, giving them a groundwater allowance equal to their 2021 groundwater pumping, and allow new alternative supplies to be added to the designation

to serve new uses if 30% of those supplies are used to replace groundwater pumping included in the designation. Singleton said that the proposal would call for the provider to enroll in the Central Arizona Groundwater Replenishment District as a member service area. He said that this proposal would accept that a provider designated through this provision would satisfy the Department's commingling issue and physical availability concerns.

Singleton told members that the group had also discussed concerned wildcat development. Singleton said that the Policy Council had previously heard from the Department of Real Estate that the definition of acting in concert was too vague, and the way that the word contiguous was defined was problematic for enforcement.

Singleton said that the Water Infrastructure Finance Authority Board (WIFA) had met in Florence on September 20, 2023. He said that he had done a short presentation on PCWAA's recent activities and makeup. He told the group that George Bomar had emailed to report that the Department of Water Resources was still trying to organize appropriate staff to work on processing the PCWAA Cloud Seeding submittal.

Bill Collings said that the statutory language concerning the cloud seeding permitting was clear and wondered what the delay at ADWR was about. Stephen Miller said that he had reached out to the Tohono O'odham concerning the PCWAA cloud seeding project and was advised to approach their Natural Resource committee to pursue a meeting with them.

#### LOBBYIST REPORT:

Cheyenne Walsh of Compass Strategies told the group that the multi-family housing community and the home builders were against the proposals that would regulate build-to-rent housing. She said that the Chamber of Commerce may be similarly opposed. Walsh said that she had began to reach out to the chairs and ranking members of the appropriate committees at the state legislature to inform them about the PCWAA cloud seeding program. Walsh reiterated to members that legislative ideas for action in the next legislative session were best proffered sooner than later.

Bill Collings said that Arizona appeared to be far behind some other western states in terms of funding cloud seeding projects. Collings added that he was concerned that future pump tax monies would revert to the Arizona Water Banking Authority soon, but that the AWBA was no longer actively storing new water supplies in the Pinal AMA.

#### PINAL STAKEHOLDER PROCESS REPORT:

Stephen Miller said that he appreciated the work that Nathan Miller and MATRIX had done with the stakeholder modelling efforts.

#### CHAIR'S REPORT:

Chairman Collings said that the WIFA had held extended conversations about their long-term augmentation fund and indicated that they might take about a year to develop a process to evaluate proposals to utilize these funds. Collings said that he did not anticipate any funds being dispersed from the long-term augmentation fund this year. Collins said that the Agribusiness and Water Council of Arizona had held their annual meeting. Collings said that the meeting was well attended, and included presenters from the Governor's Office, as well as Bureau of Reclamation (BOR) Commissioner Camille Touton.

#### 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. Pat Holbrook said that examination of the summer monsoon season indicated about 12 days between August and September that would have been appropriate for cloud seeding. He noted that this was roughly equivalent to the amount of winter days that were appropriate for cloud seeding in Idaho.

Mitch Basefsky of Central Arizona Project (CAP) said that Colorado River news was about the same as previously discussed, with water levels at Lake Mead indicative of a Tier 1 shortage for next year, and an estimated 90% chance of a Tier 1 shortage for 2025. He said that ongoing discussions among the Basin states were positive. Basefsky said that they were still developing a Lower Basin proposal for the BOR, and were hopeful of eventually bring the Upper basin states into the process to have a proposal from all the basin states.

Basefsky told members that the CAP Board had held their last Board meeting in Pima county. He said that at the meeting there had been extended discussion about bypass flows that go into Mexico, which he explained consisted of agricultural runoff that was too high in total dissolved solids to count towards the Colorado river water owed to Mexico under treaty obligations. He said that these flows averaged between 120,000 – 140,000 acre-feet per year. He said that excess flows beyond that were essentially losses to the system and amounted to between 10,000 and an estimated 60,000 acre-feet for this year. He said that the 2023 estimate was as high as it is because the BOR would normally pump the 204 wellfield near the border, providing that water to farms while leaving the equivalent amount in Lake Mead, but that the wellfield had been out of commission for about two years, awaiting repairs. Basefsky said that the discussion of this at the CAP Board meeting represented an opportunity to reduce losses on the Colorado river system.

Bill Collings asked if Basefsky knew of any indicators that growers in the Imperial Irrigation District in California were joining in discussions with the other basin states concerning

new operating guidelines. Basefsky said that there were some scenarios under which they would give up water. He said that Salton Sea issues were a large impediment for them, as well as a desire for compensated cutbacks.

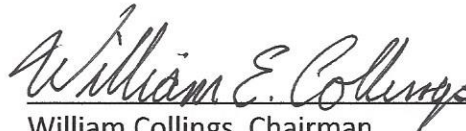
NEXT MEETING DATE:

The next meeting will be held on December 12, 2023 at 7:00 a.m.

ADJOURN

The meeting was adjourned at 8:06 a.m.

ATTEST:

  
William Collings, Chairman

  
Stephen Q. Miller, Secretary-Treasurer