

Pinal County Water Augmentation Authority

MEETING MINUTES

MINUTES OF JANUARY 9, 2024:

A meeting of the Pinal County Water Augmentation Authority was convened at 7:03 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
- Stephen Q. Miller, Pinal County
- Bryan Hartman, Maricopa-Stanfield Irrigation & Drainage District
- Bob Marsh, City of Maricopa
- Craig McFarland, City of Casa Grande
- Jake Lenderking, Water utilities without a CAP water subcontract
- Derek McEachern, Central Arizona Irrigation and Drainage District (at 7:06 a.m.)
- José Maldonado, Town of Florence
- Fred Schneider, Water utilities with a CAP water subcontract
- Matt Rencher, City of Eloy

Also Present:

- Joe Singleton, PCWAA Executive Director
- Cheyenne Walsh, Compass Strategies
- Kami Ballard, Ivanhoe Electric
- Mitch Basefsky, Central Arizona Project
- Nathan Miller, MATRIX New World Engineering

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CALL TO ORDER:

Chairman Bill Collings called the meeting to order at 7:03.

QUALIFYING AND SEATING OF NEW DIRECTOR

Joe Singleton told the Board that the newly appointed representative for the City of Casa Grande, Mayor Craig McFarland, had signed his loyalty oaths and qualified to be seated as a member of the PCWAA Board. Accordingly, he was seated as a member of the Authority Board.

APPROVAL OF MINUTES:

Fred Schneider moved to approve the minutes as drafted from the meeting of December, 12 2023. Jake Lenderking seconded the motion, which carried 10-0. **CAMPBELL, COLLINGS, HARTMAN, LENDERKING, MALDONADO, MARSH, McFARLAND, MILLER, RENCHER, SCHNEIDER.**

TREASURER'S REPORT:

Stephen Miller noted the monthly bills presented were for regularly occurring expenses, which included Compass Strategies and MATRIX New World. Miller said that there was a little less than \$3,000 remaining on the latest contract with MATRIX. He noted the bank balance, just before Christmas was a little less than a million. Bryan Hartman moved to accept the Treasurer's Report and pay the bills as presented. Derek McEachern seconded the motion, which carried 11-0. **CAMPBELL, COLLINGS, HARTMAN, LENDERKING, MALDONADO, MARSH, McEACHERN, McFARLAND, MILLER, RENCHER, SCHNEIDER.**

UPDATE ON IVANHOE ELECTRIC MINING COMPANY:

Kami Ballard, the Director of Permitting and Social Responsibility for Ivanhoe Electric Mining Company, updated the Board on Ivanhoe's Santa Cruz project. Ballard reminded the Board that Ivanhoe, while based in the United States, also had projects around the world, as well as engaging in exploration projects in Utah, Montana, and North Carolina. The Santa Cruz project, which is located just west of the Fransisco Grande Resort, is on almost 6,000 acres of private land, she said. She said that Ivanhoe had released their initial project assessment in September 2023.

Ballard said that the initial assessment focused on a 5.9 million tons/year underground copper mine with a small surface footprint. She said that the mine was expected to produce 4.6 million tons/year of copper during a 20-year mine life. She said that Ivanhoe intends to use

70% renewable energy, with the possibility of expanded to 100%. She told the Board that while dewatering would be necessary, Ivanhoe was considering ways in which the water might be preserved.

She informed the PCWAA that Ivanhoe had recently submitted their general plan amendment. She said that Ivanhoe did not anticipate trigger federal NEPA regulations, but planned to operate as if they were. She said that other state and local permits would be required, and noted that they had permits for their current activities. Ballard said that Ivanhoe had baseline monitoring programs in place for air and water sampling as well as having completed updated biological, archeological and cultural studies. She added that Ivanhoe had joined the local Chamber of Commerce, met with tribal representatives from the surrounding properties, and developed a community working group.

Mitch Basefsky of Central Arizona Project asked what the consumptive use of water would be for the mine. Ballard said that Ivanhoe was still developing their information and would have numbers later. Bill Collings asked if the project was in the 100-year floodplain of the Santa Cruz Wash. Ballard said that the current project design deliberately placed it just outside of the floodplain.

SALT RIVER PROJECT / CAP INTERCONNECT:

Bill Collings told the group that PCWAA now has a recommended allocation from the Bartlett Dam Modification project. Collings said that there is an existing connection between the SRP and CAP systems that allow for CAP water to enter the SRP system, but that there is not current infrastructure that supports water going from the SRP system into the CAP system. He said that there is a project in its initial planning phase to construct a second phase of the interconnect, which would allow for water to be moved from the SRP system into the CAP system. He said that the project, like the Bartlett Dam Modification project, was working with several partners to spread the private costs of the project. Collings said that it was possible to join that project, and therefore receive some capacity that would allow for the PCWAA Bartlett water to be directly accessed from the SRP system instead of relying only on an exchange agreement. Collings said that the estimated share of costs to PCWAA for the feasibility study of the interconnect project could be \$42,000 - \$67,000.

Collings said that the next step in moving forward with this process would be to compose a letter asking to join the other partners in this effort. He said that he thought that the Authority should consider joining this in conjunction with their participation in the Bartlett Dam Modification project. Collings added that there would be addition costs for later phases of the project, like the Bartlett Dam Modification, but that the Authority could change their mind regarding participation in the later phases if they desired. Stephen Miller clarified that what was being asked of the Board today was authorizing a letter pursuing joining, and not the actual cost of joining. Fred Schneider noted that utilizing an exchange agreement to access bartlett water rather than having direct access through the interconnect would likely make the Authority dependent on a Phoenix area city for an exchange partner, noting that many of the

Valley cities did not seem inclined to share water supplies. Collings said that while it was still early in the Bartlett Dam modification process, it represented one of the few current avenues of obtaining new water supplies in the Pinal AMA area. Stephen Miller moved to send a letter to SRP requesting to join the partners in the feasibility study for the interconnect. Fred Schneider seconded the motion, which carried 11-0.

RESPONSES TO ADWR COMMENTS:

Nathan Miller, of MATRIX New World Engineering said that the draft report that responds to ADWR comments was finished. Miller said that the letters that ADWR had asked be signed by the effected well owners had been sent out. He said that the letter to Arizona Water Company had been signed and returned. Members discussed encouraging the effected providers to get their questions answered soon, which would hopefully encourage the signing of the letters. Bill Collings asked if any of the Phoenix AMA interests had inquired about the Pinal process. Miller said that they had.

BARTLETT DAM MODIFICATION:

Bill Collings told members that the Bartlett Dam Modification Group's Needs subcommittee would meet this Thursday. Collings said that the group would discuss how to redistribute allocations or portions of allocations of partners that do not take theirs. Collings added that there would be another Steering Committee meeting in February.

EXECUTIVE DIRECTOR REPORT:

Joe Singleton said that since the last Board meeting, he had accomplished some of the year-end activities that had been previously detailed to the Board. He said that the PCWAA partnership funding letters had been sent out. He added that several checks had already come in, although because of the timing that they were not reflected in the last bank statement or spreadsheet. He said that the annual report and budget request to ADWQ was sitting on his desk and would be submitted later. He said that because the PCWAA budget request was funded from Pinal AMA conservation and augmentation assistance funds that derived from withdrawal fees collected from spring annual reporting, that funding from ADWR was unlikely to be realized before April.

Bill Collings asked if there was news concerning Cloud Seeding. Singleton said that the consultants had reached out to ADWR and were trying to firm up a date for a pre-application meeting. Singleton said that he thought that the pre-app meeting would happen in January. He added that he was concerned about the timing of getting the licensing in place as well as outreach before the beginning of the Cloud Seeding season for the area in late-June or early-July.

LOBBYIST REPORT:

Cheyenne Walsh of Compass Strategies told the group that the legislature opened their new session yesterday. She said that the proceedings were largely ceremonial. She told the Board that Gov. Hobbs had given her State of the State speech, and had spoken a fair bit about water. Walsh said that legislative committees would start this week, with House Natural Resources, Energy and Water (NREW) hearing a couple of bills this afternoon. Walsh said that about 180 bills had been pre-filed, with 35 of those concerning water.

Walsh said that all 90 legislative seats would be up for election in 2024, adding that it may lead to a shorter session. She added that she had spoken to the Intertribal Council's lobbyist about cloud seeding and he suggested reaching out directly to the Pinal AMA tribes.

PINAL STAKEHOLDER PROCESS REPORT:

Stephen Miller said that Nathan Miller had provided a good description of the status of the Stakeholder group. He added that Stakeholder group leadership had put together a workgroup with water attorneys that discussed policy and legislation. He said that hoped to have a new baseline for Pinal AMA assured water supplies soon.

CHAIR'S REPORT:

There was no report from the chair.

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 said that snowfall in the Rockies was deteriorating, although just a Tier 1 shortage was being currently projected for 2025. He said that the Bureau of Reclamation (BOR) would release 7.48 million acre-feet (maf) from Lake Powell into Lake Mead. Basefsky told members that the Lower Basin consumptively used the least amount of water last year since full CAP deliveries began in the 1990s. Basefsky said that the BOR has accepted the supplementary environmental impact statement containing the proposal from the lower basin states to save 3 maf in Lake Mead through 2026.

He said that the recent Colorado River Water Users Association conference in Las Vegas had its largest attendance ever—some 1,700 people. He said that there were good discussions

among users and the basin states, although no new announcements. He said that the conference would be at the Paris hotel next year and a week earlier than normal. Basefsky said that CAP is monitoring most of the water bills, and supporting some of the finance bills, like the proposal to use lottery money to partially fund WIFA and on-farm water efficiency programs.

NEXT MEETING DATE:

The next meeting will be held on February 13, 2024 at 7:00 a.m.

ADJOURN

The meeting was adjourned at 8:09 a.m.

ATTEST:


William Collings, Chairman


Stephen Q. Miller, Secretary-Treasurer