

Pinal County Water Augmentation Authority

MEETING MINUTES

MINUTES OF MARCH 12, 2023:

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
- Melissa Campbell, City of Coolidge (at 7:03)
- Bryan Hartman, Maricopa-Stanfield Irrigation & Drainage District
- 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
- Craig McFarland, City of Casa Grande
- Fred Schneider, Water utilities with a CAP water subcontract (until 8:00 a.m.)

Also Present:

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

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CALL TO ORDER:

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

APPROVAL OF MINUTES:

Melissa Campbell moved to approve the minutes as drafted from the meeting of February 13, 2024. Craig McFarland seconded the motion, which carried 9-0. **CAMPBELL, COLLINGS, HARTMAN, LENDERKING, MARSH, McEACHERN, McFARLAND, MILLER, SCHNEIDER.**

TREASURER'S REPORT:

Stephen Miller noted the monthly bills presented were for routine expenses, and noted the bank balance on the statement from 2/29/24. Bill Collings asked about the timing of the next payment to Salt River Project (SRP) for the Bartlett Dam Modification dues. Joe Singleton said that he had not heard from SRP concerning when the assessment would be invoiced to the members and said that he would check with SRP. Craig McFarland moved to accept the Treasurer's Report and pay the bills as presented. Jake Lenderking seconded the motion, which carried 9-0.

CONTRACT CHANGE ORDER FOR MATRIX NEW WORLD ENGINEERING (20-392-02):

Bill Collings noted that a copy of the proposed change order language was sent to members before the meeting and asked Joe Singleton to explain the context of the request. Singleton said that MATRIX New World was near the end of their current tasks under the existing contract with PCWAA. He reminded the Board that the last of these activities include getting letters from providers whose pumping was manipulated in MATRIX's last model simulation to satisfy assured water supply objectives. Singleton said that these letters acknowledging the redistribution of the projected pumping was asked for by ADWR. Singleton said that in the process of obtaining these letters, some of the providers asked for additional explanation or modification of the projected pumping, which lead to additional work for MATRIX. Singleton said that they would now require additional funding in order to finish, as the existing contract only had about \$150 worth of funding capacity remaining. Singleton said that the goal of finishing the work was for ADWR to come to an ultimate decision on the requests detailed in the Pinal Stakeholders submittal.

Stephen Miller asked if the ADWR request was for the provider whose pumping was redistributed to acknowledge the MATRIX work or to merely have been notified of it. Collings said that his understanding was that ADWR wanted concurrence from the providers that acknowledged the redistributed pumping. Nathan Miller of MATRIX New World Engineering said that the Department has a policy and that the policy required that changes in the Department's project well pumping from their model be made by the provider in a reasonable

manner—which ultimately, they need to agree to—and that the purpose of the letters was to meet that requirement. He added that some of the modifications that the Town of Florence had requested in portrayal of the modified pumping would be invoiced directly to the Town. Craig McFarland moved to accept the proposed contract amendment that adds an additional \$10,000 in funding to the MATRIX New World contract. Fred Schneider seconded the motion, which carried 9-0.

PARTNERSHIP PAYMENTS, FY25:

Bill Collings noted that the amounts requested from the Authority partners had not changed in at least 14 years. Collings told members that the PCWAA was taking on increasing operational costs, like those from the Bartlett Dam modification project and Pinal cloud seeding that was placing strain on Authority resources. Collings said that the Authority may want to consider an increase on the amounts asked for from the Authority partners to meet some of these cost increases. Joe Singleton said that the original purpose of the partnership funding was to provide for a revenue stream to pay for staff that would not use up a significant portion of the \$200,000 that the Authority usually annually receives from ADWR. Singleton said that while demands on the ADWR money had been somewhat mitigated over the last few years by not participating in the storage of Florence and Elio's CAP water, he noted that PCWAA has not always realized the full amount of the requested partnership funding either. He additionally noted that staff salaries had risen since 2010 and that PCWAA had hired a lobbyist several years ago, creating further demands on the funds.

Craig McFarland said that it seemed that 14 years was too long to go without an increase, opining that increases should have been happening over that timeframe. Singleton said that it was a sensitive subject for some members, and that the PCWAA tried to respect that and make efficient use of the funds available, noting that the Authority often collected less than was asked. Bryan Hartman said that the PCWAA bank balance seemed relatively stable over the last several years, and asked what an increase would address. Collings said that PCWAA was currently anticipating \$230,000 cost for the Pinal cloud seeding project, \$200,000 more for the current phase of the Bartlett Dam modification project and the possibility of \$70,000 to participate in the CAP-SRP interconnect. Collings added that there would likely be significant ongoing expenses if the Authority was successful in realizing an appropriation of surface water from the modified Bartlett Dam project. Collings said that he thought of the current PCWAA bank balance as a cushion against unforeseen expense, as they could amount quickly. Bob Marsh noted that if collections were not at least keeping up with inflation, that it would be problematic to expect to keep up with desired results.

RESPONSES TO ADWR COMMENTS:

Nathan Miller said that he had sent the request to the Town of Florence on March 6, 2024. Miller said that he expected an expedient reply to the request. Stephen Miller asked if the letter from the town of Florence was the only one still outstanding. Nathan Miller said that

he was making some minor changes for other providers, but had received positive responses and expected to get approval from all of them.

BARTLETT DAM MODIFICATION:

Bill Collings said that Salt River Project had submitted the allocation recommendation to the Bureau of Reclamation (BOR). He told members that they were now waiting for a response from the Bureau, and that the Bartlett Needs subcommittee and/or Steering committee would meet next week if necessary to respond to BOR questions or comments. Collings said that any membership entities that might want some of the PCWAA Bartlett water should indicate so by the end of the month. Joe Singleton added that there was a financial feasibility workshop meeting scheduled for Monday, March 18, 2024.

EXECUTIVE DIRECTOR REPORT:

Joe Singleton said that the providers most effected by the Alternative Pathway to Designation (ADAWS) proposal that ADWR had drafted continued to meet twice a month to discuss progress and challenges in applying the proposal to their service areas. Singleton said that proposal, which came from the recommendations of the Governor's Water Policy Council, has not been publicly circulated, but has been made available to the providers that might be most affected—non-designated providers, many of whom are private water companies. Singleton said that he understood that AWDR would eventually forward the language as a proposed change to the Assured Water Supply rules. He told members that the current language did not seem to apply to the Pinal AMA. He said several pieces of water legislation currently active at the legislature also lack applicability to the Pinal AMA.

Singleton told members that PCWAA's cloud seeding proposal had been presented to the Tohono O'Odham Nation (TON) and Ak-Chin last month. He said that in two separate meeting that the Advanced Weather Modification Solutions team briefed the groups on the PCWAA intentions to implement a cloud seeding program in the AMA. Singleton said that the TON raised the issue to sovereignty with respect to their airspace. Singleton told the group that the TON had an agreement with the U.S. military to facilitate air training exercises, and that at least one TON Board member had spoken out favorably for cloud seeding, having lived in a place in Texas where cloud seeding was done. Singleton said that the Ak-Chin did not have as many comments, although suspension criteria was discussed in terms of allowing for crop harvesting or flood mitigation. Singleton told the group that they had reached out to the Gila River Indian Community as well, but they were not interested in meeting right now. Singleton said that he had a draft application packet for the cloud seeding permit. He said that he wanted to clarify several items with George Bomar of Advanced Weather Modification Solutions before submitting the application to ADWR.

Singleton reminded members that the Water Resources Research Center's annual conference was starting today at noon. He said that the conference, on "Introducing Water

Solutions Through Partnerships” would continue all day tomorrow, and was available to view through a free Zoom link. Singleton added that annual withdrawal and use reports were due to ADWR on April 1, 2024.

LOBBYIST REPORT:

Cheyenne Walsh of Compass Strategies told the group that the bills from the opposite chamber must be considered in committee by March 22, 2024. She said that the Senate Natural Resources, Energy and Water (NREW) committee had a large agenda this week, the House NREW committee was only considering a few bills. Walsh suggested that the House NREW committee would likely have a large agenda the following week. She told members that the current bills fell into several groups. She noted that SB 1181 concerned how Phoenix AMA lands enrolled in the Central Arizona Groundwater Replenishment District (CAGR) could transition to become part of a member service area. Walsh noted that this could assist a provider to utilize the ADAWS proposal from ADWR. She additionally noted two bills applying to transportation of water from the Harquahala INA by private water companies. Walsh said that in addition to HB 2200, HB 2201 also allowed for access by La Paz County. She said that HB 2017 concerning how ADWR considers commingling of water supplies was heard in Senate rules yesterday, and was passing through the process on party line votes. Walsh told members that there were two “ag to muni” bills. She said that SB 1172 and HB 2647 had been identical bills, but HB 2647 had been amended on the House floor to address replenishment concerns. Walsh said that neither piece of legislation was on an agenda for this week. She said that two “build to rent” bills were moving—noting that HB 2025 passed out of the House on a party line vote and has not been assigned to a committee. She added that HB 2026 was assigned to Senate NREW, but was not on this week’s agenda. Walsh told the group that SB 1041 that would create a groundwater savings certificate as an alternative to an AWS was on the House NREW agenda. She said that SB 1243 which seeks to create an online market for groundwater rights, was not on a committee agenda. Walsh told the Board that there was little reported progress on a budget deal. She said that PCWAA and ADWR funding was flagged at Compass for tracking if any budget news were to become available.

Stephen Miller noted that dead bills could be used on a strike everything amendment later in the legislative process. Walsh agreed. Stephen Miller asked if the Authority or individual members were weighing in on bills. Bill Collings said that he periodically instructed Joe Singleton on which legislation to have PCWAA support or oppose. Miller said that he supported some legislation as an individual, and noted that there was strength in numbers if others wanted to express support for legislation.

PINAL STAKEHOLDER PROCESS REPORT:

Stephen Miller said that he had nothing to add to the information brought up earlier in the meeting.

CHAIR'S REPORT:

Chairman Collings said that PCWAA had submitted a letter to request to join the SRP/CAP interconnect facility group. He said that he was waiting to hear back from the group on a decision.

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 the Arizona Reconsultation Committee had met last week. He said that the lower basin states had released their post-2026 long-term management plan for the Colorado River. He noted that the upper basin states released their own plan, in which the upper basin would not take cuts to their allocations. Basefsky noted that the lower basin plan calls for basin-wide reductions, and provides for additional certainty. He said that the BOR would likely consider alternatives until August.

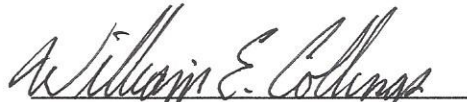
NEXT MEETING DATE:

The next meeting will be held on April 9, 2024 at 7:00 a.m.

ADJOURN

The meeting was adjourned at 8:10 a.m.

ATTEST:


William Collings, Chairman


Stephen Q. Miller, Secretary-Treasurer