

Pinal County Water Augmentation Authority

MEETING MINUTES

MINUTES OF APRIL 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
- 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

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

CALL TO ORDER:

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

APPROVAL OF MINUTES:

Craig McFarland moved to approve the minutes as drafted from the meeting of March 12, 2024. Stephen Miller seconded the motion, which carried 8-0. **CAMPBELL, COLLINGS, HARTMAN, LENDERKING, MARSH, McEACHERN, McFARLAND, MILLER.**

TREASURER'S REPORT:

Stephen Miller noted the monthly expenses, and asked Joe Singleton about the circumstances of the Cooper Rueter work being billed. Singleton said that the billing included time spent with attorney Steve Cooper for discussion of Bartlett Dam financing and cloud seeding. Miller said that the expenses were routine and within budget, and noted the 3/29/24 bank balance. Bill Collings noted that the amount billed for the liability insurance was greater than the amount in the budget line item. Singleton said that the insurance company had raised their rates, and the \$92 in excess of the insurance line item was billed to the Board and Meeting expense line item. Bob Marsh moved to accept the Treasurer's Report and pay the bills as presented. Craig McFarland seconded the motion, which carried 8-0.

PARTNERSHIP PAYMENTS, FY25:

Bill Collings said that he wanted to allow for additional discussion of this topic from the previous month. He told members that the amounts requested from the Authority partners had not changed in at least 14 years. Collings reiterated that PCWAA was taking on increasing activities with commensurate increases in costs. Collings said that the Authority may want to consider a 5 percent increase for next year, followed by subsequent 5 percent increases in order to better address higher Authority expenses. Joe Singleton noted that not all member entities were on the same timeline regarding their own budgets, and that PCWAA may have already missed the opportunity to increase their assessment to those members during the upcoming fiscal year.

Craig McFarland noted that Casa Grande was in the middle of their process and that next years' state shared revenues were decreasing for some cities, including Casa Grande. Bryan Hartman said that the Maricopa-Stanfield Irrigation & Drainage District (MSIDD) normal did their budget work in the fall. He noted that district water sales were down, but that PCWAA had value to the district. Derek McEachern of Central Arizona Irrigation and Drainage District said that their budgetary timeframe was similar to MSIDD's. Craig McFarland said that it seemed that 14 years was too long to go without an increase. Stephen Miller suggested it may be useful to meet with several of the managers to present PCWAA activities and budget needs.

RESPONSES TO ADWR COMMENTS:

Nathan Miller said that he expected the changes in the modelling work to be completed soon and for an updated report to be finished. He said that everyone that needed to sign a letter for the ADWR submittal seemed on board with the changes. Stephen Miller thanked Nathan Miller for doing a great job in explaining the modelling work to the City of Eloy representatives during a recent meeting.

BARTLETT DAM MODIFICATION:

Bill Collings said that draft allocation recommendations submitted to Salt River Project had submitted the allocation recommendation to the Bureau of Reclamation (BOR) were still being reviewed. He told members that they were still waiting for a response from the Bureau, and that they were waiting response from BOR to proceed. Collings said that he had put out a call for members interested in the PCWAA Bartlett allocation to reach out to the Authority. He said that Global Water Resources had some so. Craig McFarland asked if Casa Grande had gotten in touch with PCWAA regarding the Bartlett allocation. Bill Collings said that they had not. McFarland said that Casa Grande was interested in some of the water. Collings said that he hoped to meet with Steve Cooper to begin putting together a template for a Memorandum of Understanding between PCWAA and those entities interested in part of the PCWAA allocation. Collings said that he hoped for formal (not binding) commitments soon to use as part of the PCWAA submittal through SRP.

EXECUTIVE DIRECTOR REPORT:

Joe Singleton said that the providers most effected by the Alternative Pathway to Designation (ADAWS) proposal continued to meet twice a month to discuss progress and info share about their meetings with ADWR. Singleton said that there seemed to be a growing consensus that the issues concerning replenishment needed to be modified for the proposed alternative to work for most, if not all the effected providers.

Singleton told member that the Ivanhoe Community group had met last month. He said that they had added Terri Sue Rossi of Arizona Water Company to the group, which had come up as a topic during the previous meeting in the fall of 2023. Singleton said that Ivanhoe was still developing an idea of what the eventual water use would be for the facility. Singleton said that the group was tentatively scheduled to meet again in June.

Singleton said that he had spoken to ADWR's Surface Water section regarding PCWAA's cloud seeding application. He said that there were problems with the original plane and pilot that had been lined up as part of the Advanced Weather Modification Solutions (AWMS) proposal for cloud seeding activities in the AMA. Singleton said that they had hoped to file the application and work out those issues during the process, but that the application review would basically stop if the plane and pilot were unknown when the application was filed. Singleton

said that he would reconnect with the AWMS team and see if they had made any progress in identifying a plane and pilot. He told members that because the application would be deemed incomplete by ADWR if filed without the plane and pilot information as part of the application, that he did not believe it should be filed until that issue was resolved. Singleton informed members that work on next years' PCWAA budget was commencing. He said that updated partnership funding figures could be accommodated in the budget several different ways.

LOBBYIST REPORT:

Cheyenne Walsh of Compass Strategies told the group that the legislature was only meeting on Wednesdays right now. She said that a lot of bills had been moved out of both chambers. She said that SB 1181 concerning how Phoenix AMA lands enrolled in the Central Arizona Groundwater Replenishment District (CAGR) could transition to become part of a member service area, was ready to be third read. She additionally noted that SB 1172 and HB 2647 had been identical bills regarding conversion from agricultural use to urban use, were awaiting to be heard in the Committee of the Whole in the corresponding opposite chamber. Walsh said that amendments were being worked on for both pieces of legislation. She speculated that they would be amended until the language was identical, and then swapped on third read. Walsh said that the legislature was beginning budget negotiations with the Governor's Office in earnest. She told the Authority that new revenue projections were due out shortly which might better inform the process. She said that current figures indicated a \$2 billion deficit. She said that the Water Infrastructure Finance Authority (WIFA) seemed to be a target for budget savings. Walsh added that current projections showed that there would likely not be a state budget surplus again until FY27. Bill Collings asked if a new striker could be introduced, and if it should concern the PCWAA. Walsh said that it was unlikely as committee work had concluded (except for the Appropriations Committee), but noted that the rules for that level of the legislative process were largely self-imposed.

PINAL STAKEHOLDER PROCESS REPORT:

Stephen Miller said that they had met with the City of Eloy to go through the modelling work in greater detail. Miller again thanked Nathan Miller for his efforts, and added that the providers whose projected pumping was relocated in the modelling should sign their letters acknowledging the pumping movement soon. Craig McFarland asked which letters were outstanding. Nathan Miller said that they still needed letters from the Town of Florence, Sunland Water Company, and Picacho Water Company.

CHAIR'S REPORT:

Chairman Collings said that he wanted to put together a task force to study how PCWAA might be reformulated in a manner to facilitate ad valorem taxing authority. It was discussed, and noted that the group could consist of up to five Board members without forming a quorum

of PCWAA members. Collings asked members that were interested in participating in this task to contact Joe Singleton.

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 CAP had held their April Board meeting at the Historic Courthouse in Florence. He said that Paul Orem had presented at the CAP Board meeting, showing the impacts to Pinal agricultural resulting from the reduction in CAP water available to Pinal.

Basefsky said that Colorado River conditions were good. He said that as of March 31, 2024 there was about 24.6 million acre-feet (MAF) in the reservoir system, which is more than 5.5 MAF more than the previous year. He said it was likely that conditions would again dictate Tier 1 shortage conditions continuing next year, although the Bureau of Reclamation wants to increase their safety margin in Lake Powell and would only be releasing a maximum of 7.48 MAF to Lake Mead, unless conditions were to dictate a smaller release. Basefsky said that the current Snow Water Equivalent in the Colorado River Basin was 108% of the 30-year median.

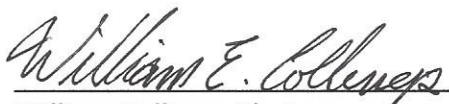
NEXT MEETING DATE:

The next meeting will be held on May 14, 2024 at 7:00 a.m.

ADJOURN

The meeting was adjourned at 7:55 a.m.

ATTEST:


William Collings, Chairman


Stephen Q. Miller, Secretary-Treasurer