

Pinal County Water Augmentation Authority

MEETING MINUTES

MINUTES OF AUGUST 13, 2024:

A meeting of the Pinal County Water Augmentation Authority was convened at 7:04 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
- Stephen Q. Miller, Pinal County
- Jake Lenderking, Water utilities without a CAP water subcontract
- Bob Marsh, City of Maricopa
- Derek McEachern, Central Arizona Irrigation and Drainage District
- Craig McFarland, City of Casa Grande (at 7:24 a.m.)
- Matt Rencher, City of Eloy
- Fred Schneider, Water utilities with a CAP water subcontract

Also Present:

- Joe Singleton, PCWAA Executive Director
- Cheyenne Walsh, Compass Strategies
- Jeremiah Brosowske, 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 7:04.

APPROVAL OF MINUTES:

Melissa Campbell moved to approve the minutes as drafted from the meeting of June 11, 2024. Jake Lenderking seconded the motion, which carried 9-0. **CAMPBELL, COLLINGS, HARTMAN, LENDERKING, MARSH, McEACHERN, MILLER, RENCHER, SCHNEIDER.**

TREASURER'S REPORT:

Stephen Miller asked Joe Singleton if the MATRIX billing included all their time to date. Singleton said that the current billing maxed out the contracted amount, and that MATRIX appeared to have discounted several hundred dollars' worth of work. He added that the invoice covered a period through June 28, 2024. Singleton noted for members that highlighted items on the August expense spreadsheet were for current bills and revenue that belonged to the previous fiscal year, and were thus not accounted for in the running totals on the spreadsheet for FY25. Fred Schneider moved to accept the Treasurer's Report and pay the bills as presented. Derek McEachern seconded the motion, which carried 9-0.

BARTLETT DAM MODIFICATION:

Bill Collings said that the Bartlett Dam Modification Steering Committee had met on July 16, 2024. He told the group that the Steering Committee heard an overview of where the process stood with the Bureau of Reclamation (BOR). He said that Steering Committee members were told by Salt River Project (SRP) staff overseeing the non-federal partners' part of the project that the 30% design costs had exceeded the previous estimates. The non-federal partners on the Steering Committee (like PCWAA) were projected to be assessed \$286,000 more than the \$400,000 that was originally estimated. Collings said that this would obviously have a significant impact on the PCWA budget. Collings added that there was still no indication on how much of the new water storage capacity that the BOR might request through the process. He reminded members that any federal request would come out of the total and effect the allocations that the non-federal partners had agreed to. Collings told members that SRP had tentatively scheduled Needs Subcommittee meetings for September 25, 2024 and October 15, 2024 to react to possible BOR feedback on the non-federal partners' submittal.

Fred Schneider asked if PCWAA had decided to participate in the Salt River / CAP Interconnect Facility (SCIF) technical committee. Collings said that PCWAA had resubmitted their request to join the study group. Schneider said that Arizona Water Company had asked to join the study as well. Matt Rencher asked how much SCIF participation would cost. Collings and Singleton said that at the 6 ft³/second capacity that PCWAA had requested, the cost to

participate at the 30% design level would be \$20,000 - \$25,000. Collings said that on projects like this one, the engineering cost often go up.

EXECUTIVE DIRECTOR REPORT:

Joe Singleton said that the Arizona State Senate was still deliberating on the “Ag-to-Urban” concept even after the end of the legislative session. He said that legislators had requested and ultimately received some of the backup information from ADWR that they used to justify the viability of an Ag-to-Urban program for the Phoenix AMA, and the non-viability of such a program in the Pinal AMA. Singleton said that he had heard earlier discussion that there could be a special session for water legislation later in 2024, but that it probably would not happen until after the primary elections. Singleton said that the primary elections had now taken place, but that he had not heard anything else about a special session.

Singleton reminded members of the previous discussion of the SCIF re-submittal. He said that the utility to PCWAA in having capacity in the interconnect would be to allow for direct PCWAA access to SRP water supplies through the CAP canal. Singleton said that he hoped to know more about the SCIF request to join in the next 30-60 days. He referred to previous discussion of the Bartlett Dam modification project, and told members that the Steering Committee would meet again in the fall, which corresponded with the annual cost share meeting. Singleton said that concerning the cost increase for the Bartlett Dam engineering that the non-Steering Committee partners were also being assessed for the cost increase.

Singleton told the group that ADWR was scrutinizing the funding through its grants program including the last PCWAA budget request for FY23. He said that he and Chairman Collings had recently met with ADWR staff and discussed some of the PCWAA budgetary line items as well as the concepts of the PCWAA budget representing a spending authority as well as a spending plan. Singleton said that ADWR staff indicated that they would be briefing ADWR Director Tom Buschatzke regarding the PCWAA budget request. Singleton said that staff had indicated at previous Groundwater User Advisory Council meetings that revenues into the Conservation and Augmentation Assistance fund, which Fund PCWAA and Irrigation Management Services and the Natural Resource Education Center could soon be an issue.

Singleton said that ADWR had added a third public meeting for discussion of the Alternative Pathway to Designation concept, and that Pinal AMA providers were now afforded the opportunity to participate. He told the group that the current draft of the proposal rolled the baseline year forward to 2023 for calculating a groundwater allowance under the new program. Singleton said that the Department would use either 30 times the provider’s 2023 groundwater deliveries to non-CAGRDLands or 20 times all water deliveries to non-CAGRDLands. He added that ADWR had filed for a formal rulemaking process last week, which begins the timeline on a rule change.

Singleton told members that he was engaged with Baker Tilly staff in preparing the annual PCWAA audit. He said that he needed to review some of the information and compose the Management Discussion and Analysis piece of the audit work. He reminded the group that the Agribusiness and Water Council of Arizona's annual meeting would be on Friday, August 23, 2024 at the SRP PERA club.

Bill Collings asked if ADWR had left something out of the draft language when adding provisions for the Pinal AMA into the rule language. Singleton said that he thought the problem was in the definition of a new alternative water supply. He said that he told staff after the meeting, and that they had agreed it was an oversight and had amended it in the revised language. Singleton added that the proposal seemingly only accounted for previously unpledged credits.

LOBBYIST REPORT:

Cheyenne Walsh of Compass Strategies said that Governor Hobbs had signed the Harquahala, Queen Creek and Buckeye bills, and vetoed the so-called "Ag-to-Muni" bill. She told members that the talk about a special session on Ag-to-Urban and Rural water management had died down. She said that ADWR had sent out data on their Ag-to-Urban analysis. She said that the primary elections were July 3, 2024 and that the Secretary of State's office should be certifying the results on Thursday. She said that she would send out a final summary of the results after certification. Walsh said that she and Joe Singleton had met with Governor Hobbs Water Policy ADVISR Patrick Adams in the spring. She said that they were trying to schedule a follow up meeting, and hoped to have something calendared soon.

PINAL STAKEHOLDER PROCESS REPORT:

Stephen Miller said that there had been little additional progress. He confirmed that the group had submitted a revised complete package to ADWR, but said that they had not yet reviewed it due to other staff commitments.

PCWAA REORGANIZATION:

Stephen Miller said that the group would meet again on Monday. He said that they might need some legal advice concerning taxing methods. Miller expanded his explanation to include knowledge of the intersection of PCWAA statutes. Jake Lenderking added that they had discussed if PCWAA could bond based on contract revenue streams. Collings said that if the group wanted to bring on outside legal counsel, that he would like to have something on the next meeting agenda.

CHAIR'S REPORT:

Chairman Collings said that he was concerned that the funding request to ADWR would not be fulfilled, either for the current request (the last fiscal year) or the future. Collings said that the current slate of PCWAA projects, including the Bartlett Dam Modification, the Salt River / CAP interconnect, and Cloud Seeding that the Authority's resources would stretch PCWAA resources. He said that this emphasized the importance of the reorganization work.

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 Colorado river conditions were like last year's conditions, with a 7.48-million-acre-foot release into Lake Mead. He said that based on current conditions, it was likely that the river would be in a Tier 1 shortage during 2025 and 2026. The 2026 Environmental Impact Statement contained five proposed alternatives—one from each of the Lower Basin, Upper Basin, the GRIC, the Conservation Cooperative and the National Parks Service and U.S. Fish and Wildlife Service. Basefsky said that the Bureau of Reclamation may release something in December. He told members that the Central Arizona Groundwater Replenishment District was about 60% through drafting their 10-year plan, and that they would hold a briefing on August 26, 2024 both in person and online.

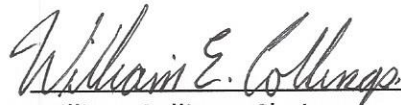
NEXT MEETING DATE:

The next meeting will be held on September 10, 2024 at 7:00 a.m.

ADJOURN

The meeting was adjourned at 8:01 a.m.

ATTEST:


William Collings, Chairman


Stephen Q. Miller, Secretary-Treasurer