

Pinal County Water Augmentation Authority

MEETING MINUTES

MINUTES OF OCTOBER 8, 2024:

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 7:04)
- Bryan Hartman, Maricopa-Stanfield Irrigation & Drainage District
- Jake Lenderking, Water utilities without a CAP water subcontract
- Bob Marsh, City of Maricopa
- Derek McEachern, Central Arizona Irrigation and Drainage District
- Fred Schneider, Water utilities with a CAP water subcontract

Also Present:

- Joe Singleton, PCWAA Executive Director
- Cheyenne Walsh, Compass Strategies
- Jeremiah Brosowske, Pinal County

CALL TO ORDER:

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

APPROVAL OF MINUTES:

Bob Marsh moved to approve the minutes as drafted from the meeting of September 10, 2024. Fred Schneider seconded the motion, which carried 6-0. **COLLINGS, HARTMAN, LENDERKING, MARSH, McEACHERN, SCHNEIDER.**

TREASURER'S REPORT:

Joe Singleton said that there were routine billings to Compass Strategies and for reimbursement to himself for the last phone bill and a printer that was purchased for the Authority. He noted that the Authority had received funding from ADWR for FY 24, as was noted on the spreadsheet, but explained that because the funding was from the previous fiscal years' request it was no reflected in the "Year to Date" totals for the current fiscal year. Bryan Hartman moved to accept the Treasurer's Report and pay the bills as presented. Fred Schneider seconded the motion, which carried 7-0. **CAMPBELL, COLLINGS, HARTMAN, LENDERKING, MARSH, McEACHERN, SCHNEIDER.**

CONTRACT(S) WITH MATRIX NEW WORLD ENGINEERING:

Bill Collings told members that ADWR had asked MATRIX for some background materials related to the stakeholder submittal package. Collings said that a copy of the proposed change order language had been sent to members before the meeting. Collings recommended approval of the change order to the contract to allow for MATRIX to fulfil ADWR's request for materials related to the stakeholder submittal. Jake Lenderking moved to approve the contract change order based on the language that was provided. Fred Schneider seconded the motion, which carried 7-0.

Collings asked Joe Singleton to provide context for the second contract proposal from MATRIX. Singleton said that Arizona Water Company and MATRIX New World had approached PCWAA about leveraging some work that MATRIX was doing for Arizona Water Company into a regional model update. Singleton said that the proposed scope would incorporate additional data into the previous modelling efforts, as well as updating the five model runs that MATRIX had originally worked on. Singleton noted that some of the work was duplicative between the Arizona Water Company task and the model update, and was being proposed for a 50/50 cost share. An additional amount noted in the proposed contract language was only for the update and would be paid by PCWAA under the contract. Singleton said that the contract language contained a cap on costs of \$8,795. Collings said that the work would extend the dataset out an additional number of years at the beginning of the timeline and the predictive period of the

model, and was worth the effort for making the modelling work current. Jake Lenderking said there was short and long-term benefit to members in keeping the model up-to-date and recommended approval of the contract. Bob Marsh seconded the motion, which carried 7-0.

BARTLETT DAM MODIFICATION:

Bill Collings said that the Bartlett Dam Modification Needs Committee met on September 25, 2024. Collings told the group that Salt River Project had updated the original capacity of Bartlett Lake. The updated capacity is more than what was originally being used in calculations concerning the Bartlett Dam Modification project, which has led to a corresponding greater capacity to restore through the modified dam project. This has led to a slightly lower amount to be allocated among the partners (like PCWAA) to the modification project.

Collings told members that the group also discussed a process to reallocate the available water to members. He said that they considered three different methods: 1) using the original process with a new total amount; 2) proportional reallocation, where excesses or debits to allocations is proportionately allocated to each member; 3) proportional reallocation based on committed allocation. Collings said that the current process ensured at least 4,500 acre-feet (AF) of capacity to each member (unless they requested less) regardless of demonstrated demands. Collings noted that the second and third options that the group discussed would remove that backstop, which could cause some members to receive little or nothing under those reallocation scenarios. Collings added that the amount that the U.S. Bureau of Reclamation might ask for from the project is still unknown.

Collings said that the group also talked about the Town of Cave Creek requesting to join the group as a non-voting member. He said that they had asked for 1,000 AF of capacity. He said that the Steering Committee would vote on their request. Joe Singleton clarified that the virtual Steering Committee vote on Cave Creek would take place tomorrow. Collings said that cost change orders to members were currently being proposed to be split between FY26 and FY 27. The PCWAA share is currently estimated at about \$294,000. He added that the additional cost is related to a change in the quarry site that was initially planned for use.

EXECUTIVE DIRECTOR REPORT:

Joe Singleton reminded members that the Authority had received funding from ADWR in response to their FY24 request. He said that ADWR staff had requested a meeting to discuss entering a contract with PCWAA, as they do with other recipients of the Pinal AMA Conservation and Augmentation Assistance (CAA) funds. Singleton said that PCWAA had statutory authority to request money from the fund each year (unlike the others receiving Pinal monies) and as such was not sure why ADWR wanted to discuss the contract.

Singleton told members that the ADWR rulemaking package that contains the ADAWS proposal had an oral hearing on September 23, 2024. He said that ADWR had received more

than the 150 comments on the rule package that Pinal stakeholders had hoped for. Singleton said that if the process remained on ADWR's original timeline that the proposal should be deliberated by the Governor's Regulatory Review Council (GRRC) by the first part of November.

Singleton said that the Pinal AMA Groundwater Users Advisory Council (GUAC) had met on September 18, 2024. He said that the GUACs are always asked to make a withdrawal fee recommendation to ADWR for next year and hear the Arizona Water Banking Authority's draft Plan of Operations for next year at their fall GUAC meetings. Singleton said that the GUAC discussed both of the funds that currently receive money from Pinal AMA withdrawal fees: the CAA fund (which funds PCWAA, IMS and NREC) and the Arizona Water Banking/Temporary Groundwater and Irrigation Efficiency Project fund. Singleton said that the GUAC deliberated an increase to both funds, as through the Drought Contingency Plan, the portion of the withdrawal fees that were earmarked for the Arizona Water Bank were diverted to the Temporary Groundwater and Irrigation Efficiency Project fund, which is being used, in part, to pay for infrastructure improvements for Pinal growers. Singleton said that ultimately, the Pinal GUAC recommended a 2025 withdrawal fee of \$3.20/acre-foot, with the CAA portion increasing to \$.70/acre-foot and the portion that goes to the Temporary Groundwater and Irrigation Efficiency Project proposed at \$2.50/acre-foot.

LOBBYIST REPORT:

Cheyenne Walsh of Compass Strategies said that she had not seen any comment response from ADWR to the rulemaking hearing. Walsh said that she thought that ADWR intended to stay on their original timeline, which would make changing the proposal impossible at this point. That timeline calls for GRRC to hear the proposal in a study session on October 29, 2024 and contemplate its passage at their November 5, 2024 meeting, she said. Walsh noted that Proposition 315 would mandate a fairly low threshold (\$100,000/year or \$500,000/5 years of increased regulatory costs) to trigger a requirement for proposed agency rules to also be approved by the state legislature. Walsh said that as the ADWR proposal probably fell into that category that the Governor's Office and ADWR might want it considered prior to the possible passage of Proposition 315, which will be voted on as part of the November 5, 2024 election. Walsh said that the Joint Water Security Ad Hoc committee is also scheduled to meet on October 29, 2024. She noted that Senator Kerr and Rep. Griffin had submitted a letter in opposition to the ADAWS proposal, largely mimicking the comments that the Homebuilders of Central Arizona had made concerning the rule language.

Walsh noted that the general election date was November 5th. She said that leadership at the state legislature may not be known before the next scheduled PCWAA Board meeting the following week. She told members that she would report what was known about the election results at that meeting.

CHAIR'S REPORT:

Chairman Collings said that ADWR staff had prepared cost projections for the Water Management Assistance program (which is funded by the CAA funds) at both the current \$.65/acre-foot level and at the \$.70/acre-foot level. Collings said that according to ADWR staff, funding the CAA at \$.70/acre-foot would stabilize the fund balance and provide sufficient funding into the future for the current programs at the current levels. Collings said that the proposal to increase the Temporary Groundwater Irrigation Efficiency fund from \$2.35/acre-foot to \$2.50/acre-foot was requested by two of the farmer representatives on the committee, and had passed 4-1. Collings said that ADWR Director Buschatzke had approved the increase to the CAA fund to \$.70, but not the accompanying recommendation to increase the other fund to \$2.50/acre-foot. Collings noted that the 2025 withdrawal fees would accordingly be \$3.05/acre-foot. Collings also noted that the GUAC had recommended a 15% increase in funding for IMS, as they had not received additional monies for 20 years.

At Joe Singleton's suggestion, Chairman Collings returned to the agenda order, having inadvertently skipped the PCWAA Reorganization reporting item.

PCWAA REORGANIZATION:

Jake Lenderking said that the group had met several times and discussion had focused on two areas: 1) coming to a greater understanding of the current bonding authorities and limitations; and 2) reorganization of PCWAA to promote PCWAA's ability to obtain taxing authority. Bill Collings asked Lenderking if he thought that the group would have something ready to run through the legislature in January. Lenderking said the timing would be tight, and that the group was probably a little behind.

CALL TO THE AUTHORITY:

There was a call to the Authority. Jake Lenderking said the Pinal Partnership group focused on transportation and water and had their water committee work on the Basin Study and legislative issues. He said that the groups work had wound down with the adjournment of the state legislature, and that they were kept informed by Cheyenne Walsh. Lenderking said that the group had been focusing on the ADAWS process lately. He said that the group would now focus on other water supplies, noting that Paul Gardner of Queen Creek had spoken to the group a few months ago about Harquahala water, and that Terri Sue Rossi would be speaking to the group about New Verde Space water. Lenderking noted the overlap in the group's work and discussions with those of PCWAA.

Bill Collings asked about the status of the Basin Study. Lenderking said that the final pieces were being written. He said that there were some very technical pieces that were making up the appendices of the report. He said that the main text was being sent out in chapters for review by the group. He said that they hoped to have the entire report out for

review late this year, and to be published next year. Collings asked if there would be additional stakeholder meetings. Lenderking said he did not anticipate any, but noted that they could be scheduled if needed.

Fred Schneider said that they would be looking for additional letters supporting the ADAWS proposal for the GRRC hearing on November 5, 2024. Schneider said that they would be working through the Pinal Partnership member list to get the work out. He said that they were targeting November 1, 2024 to have the letters submitted to GRRC.

CALL TO THE PUBLIC:

There was a call to the public. There was no response.

NEXT MEETING DATE:

The next meeting will be held on November 12, 2024 at 7:00 a.m.

ADJOURN

The meeting was adjourned at 7:51 a.m.

ATTEST:


William Collings, Chairman


Stephen Q. Miller, Secretary-Treasurer