

# *Pinal County Water Augmentation Authority*

## MEETING MINUTES

### MINUTES OF DECEMBER 10, 2024:

A meeting of the Pinal County Water Augmentation Authority was convened at 7:10 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
- Matt Rencher, City of Eloy
- Derek McEachern, Central Arizona Irrigation and Drainage District
- Craig McFarland, City of Casa Grande
- Stephen Q. Miller, Pinal County
- Fred Schneider, Water utilities with a CAP water subcontract

### Also Present:

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

#### CALL TO THE PUBLIC:

At the Chair's discretion, this item was moved to the beginning of the agenda and Mitch Basefsky of CAP addressed the Board at 7:03 a.m. while members were still logging in to form a quorum.

Mitch Basefsky said that the Bureau of Reclamation (BOR) was looking at five different alternatives including a no action alternative, which would utilize the pre-2007 guidelines if used. He said that other alternatives were offered by the Upper Basin, the Tribes, and the Forest Service. He said that an Upper/Lower Basin hybrid proposal was a modest improvement than the previous one, but still required no shortages from the upper basin. Basefsky said that the CAP Board had held a special Board meeting last Monday and adopted a resolution stating that BOR should adopt the Lower Basin alternative and recognize the Compact Clause requiring an average of at least 75 million AF in releases to the Lower Basin. Basefsky said that the latest date that a Record of Decision could get through Congress was August of 2026.

#### CALL TO ORDER:

Chairman Bill Collings called the meeting to order at 7:10.

#### APPROVAL OF MINUTES:

Craig McFarland moved to approve the minutes as drafted from the meeting of November 12, 2024. Fred Schneider seconded the motion, which carried 7-0. **COLLINGS, CAMPBELL, McEACHERN, McFARLAND, MILLER, RENCHER, SCHNEIDER.**

#### TREASURER'S REPORT:

Stephen Miller confirmed with Joe Singleton that the expense to MATRIX New World was pursuant to the new contract. Miller noted the bank balance from the last bank statement. Bill Collings commented that the next \$100,000 payment to SRP for participation in the Bartlett Dam Modification would be due after the first of the year, in addition to monies owed for participating in the SRP/CAP interconnect project. Fred Schneider moved to accept the Treasurer's Report and pay the bills as presented. Craig McFarland seconded the motion, which carried 7-0.

#### BARTLETT DAM MODIFICATION / SCIF:

Joe Singleton said that the Bartlett Dam Modification Steering Committee had met shortly after the previous PCWAA Board meeting. He said that they had approved the cost increase that was driven by an increase in engineering costs. Singleton told the group that the

voting partner share of the cost increase was \$288,000, and would be invoiced in Federal Fiscal Years 26 and 27. Singleton said that these assessments were in addition to the final \$100,000 payment as a Steering Committee member that was originally planned for and would be due sometime in calendar year 2025. Singleton added that the Steering Committee had also approved having Cave Creek join the partners as a member, and approved a minor amendment to the group's submittal to the Bureau of Reclamation (BOR) to accommodate a small allocation to Cave Creek.

Singleton said that he had spoken with the SCIF project manager shortly after Thanksgiving and was told that the BOR was considering committing money through the interconnect project for water savings in lieu of some of the partnership construction costs. He said that those discussions indicated that pledging long-term storage credits (LTSC) might work for those purposes, and noted that the Authority owned several thousand acre-feet of LTSCs that it had previously failed to match with a purpose. Singleton said that while the concept was still in its early stages and the monies might not survive the change in Presidential administrations, that it appeared for time that the LTSCs could cover a significant portion of the PCWAA construction costs for the SCIF. Singleton said that he was waiting for draft language from SRP in order to further the next administrative phase of the SCIF project, and thought he should receive it from staff soon.

Bill Collings told members that SRP had held a virtual meeting yesterday morning prior to the partner tour of the Bartlett Dam. Collings said that SRP attorneys presented background information on water rights and noted that there might be conflicting water rights downstream of the modified Bartlett Dam that could lead to the need to clarify any new water allocations from a modified Bartlett Dam. Collings said that the staff presentation had also informed of the need to obtain storage permits at the dam for the new water, which would be permitted through ADWR.

#### EXECUTIVE DIRECTOR REPORT:

Joe Singleton told members that the Governor's Regulatory Review Council (GRRC) had again heard the Department of Water Resources' Alternative Path to Designation of Assured Water Supply (ADAWS) proposed rulemaking as part of their November 22, 2024 study session meeting. Singleton said that because GRRC had previously discussed the proposal that they had the option to vote on it—which they did, passing it 4-1. Singleton said that opposition to the proposal concerned the same issues that were previously raised.

Singleton informed members that the Joint Legislative Ad Hoc Study Committee on Water Security had met on November 25, 2024 and discussed some of the same issues that the Homebuilders of Central Arizona had previously raised in objection to the ADAWS proposal.

Singleton said that the Governor's Water Policy Council (GWPC) had met last week. Singleton told the group that ADWR had introduced the concept of implementing an "Ag-to-Urban" measure through rulemaking, noting that efforts to have it enacted through the



legislature had failed during the previous legislative session. He added that he had forwarded some of the meeting materials to members, which contained the meeting slides and a link to the dashboard tool that ADWR had developed to explore the relationships between replenishment rates and supplies. Singleton said that ADWR was proposing a stakeholder process for the rulemaking that would be open beyond the membership of the GWPC.

Singleton said that he had a follow up conversation with Natalie Mast at ADWR concerning ADWR's desire to have PCWAA enter into a contract with deliverables for its funding. Singleton said that the initial conversation with ADWR staff suggested that the deliverables that they might be expecting would not be onerous to produce, and may already exist. Singleton said that he informed Mast about the timing for the next PCWAA funding request.

Singleton told members that the Arizona Water Banking Authority would meet on December 11, 2024 for the Bank's regular December quarterly meeting. Singleton noted that the December meeting was when the Bank normally approved their Plan of Operations for the coming year. He said that as there had not been any excess CAP available to the Bank for the last several years, that AWBA's proposed 2025 Plan of Operations currently theorized purchasing several thousand acre-feet of credits to meet its goals, mostly in the Phoenix AMA. Singleton reminded the group that the Pinal AWBA funds were still committed through the provisions of the Drought Contingency Plan to the Irrigation Efficiency Fund.

#### LOBBYIST REPORT:

Cheyenne Walsh of Compass Strategies told the Board that Sen. Shope would be the chairman of the Senate Natural Resources committee for the upcoming legislative session. She noted that Rep. Gail Griffin would continue as the chair of the House Natural Resources, Energy & Water committee, with Pinal legislator Chris Lopez serving as the committee's vice-chair. Walsh said that the committees would both meet on Tuesday afternoons during the next legislative session. She told the group that the pre-filing period for dropping bills was open now, but that she had not seen any important water proposals yet. She said that the deadline to file Senate legislation was the end of January, while the deadline in the House was the beginning of February. She said that the session would start on January 13, 2025.

Stephen Miller said that he had heard from legislators that enacting "Ag-to-Urban" provisions through the rulemaking process was illegal, although he said that he had not heard why it was illegal. Miller asked if Walsh could find an explanation for why it might be illegal. Walsh said that Justice Gould, whose organization was hired by the Homebuilders of Central Arizona, to oppose ADAWS had opined that there was no statutory basis to create an exception to the physical availability requirement under the assured water supply rules. Walsh speculated that similar thinking could possibly be applied to an Ag-to-Urban provision, noting that the forwarding of the ADAWS proposal indicated that ADWR and the Governor's Office did not share that opinion. Walsh said that the legislature might activate a dormant committee that provides oversight over agency rulemaking.

Fred Schneider asked what the timeline was for a lawsuit to be filed on the ADAWS rulemaking. Walsh said that she thought that the Administrative Procedures act applied, and that she would check. Walsh added that someone might have to establish standing, possibly by having an application denied by ADWR, to proceed with a lawsuit.

#### PINAL STAKEHOLDER PROCESS REPORT:

Stephen Miller said that he had no update. Nathan Miller said that the Pinal modelling scenarios and consent letters had been submitted to the Department, who in turn had requested GIS data on recharge information. He said that a draft submittal was prepared for ADWR submittal to address their current questions. Bill Collings asked if there was a timeline for ADWR's response to the submittal. Nathan Miller said that there was not.

#### PCWAA REORGANIZATION:

Stephen Miller said that meetings with bond advisors had identified some statutory weaknesses in PCWAA's bonding ability, and suggested changes to strengthen those areas. Miller said that the group had proposed having Mark Reader and some of the others involved in those discussions present the issues to the whole Board for their consideration in proceeding with making changes to the PCWAA statutes. Bill Collings said that he was leaning towards a having a special meeting to consider proceeding with statutory changes, but that the calendar for the remainder of December did not look good. Collings proposed having a special Board meeting on January 7, 2025 to hear from the bond attorneys in a study session type of format, and consider taking action at the regular Board meeting on January 14, 2025.

#### CHAIR'S REPORT:

Chairman Collings said that the Arizona Department of Environmental Quality rules on groundwater quality would apply only to individual aquifer protection permits and not affect the agricultural community.

#### CALL TO THE AUTHORITY:

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

#### NEXT MEETING DATE:

The next meetings will be held on January 7<sup>th</sup> and 14<sup>th</sup>, 2024 both at 7:00 a.m.

ADJOURN

The meeting was adjourned at 8:00 a.m.

ATTEST:

  
William Collings, Chairman

  
Stephen Q. Miller, Secretary-Treasurer