

# *Pinal County Water Augmentation Authority*

## MEETING MINUTES

### MINUTES OF JANUARY 14, 2025:

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
- Bryan Hartman, Maricopa-Stanfield Irrigation & Drainage District
- Derek McEachern, Central Arizona Irrigation and Drainage District
- Bob Marsh, City of Maricopa
- Jake Lenderking, Water utilities without a CAP water subcontract
- Craig McFarland, City of Casa Grande
- Stephen Q. Miller, Pinal County

### Also Present:

- Joe Singleton, PCWAA Executive Director
- Cheyenne Walsh, Compass Strategies
- Chelsea McGuire, Water Infrastructure Finance Authority of Arizona
- Nathan Miller, MATRIX New World Engineering

CALL TO ORDER:

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

APPROVAL OF MINUTES:

Craig McFarland moved to approve the minutes as drafted from the meeting of December 10, 2024. Bryan Hartman seconded the motion, which carried 7-0. **COLLINGS, HARTMAN, LENDERKING, MARSH, McEACHERN, McFARLAND, MILLER.** After some discussion, it was decided that the typos in the minutes of the November 12, 2024 that were approved did not require a revote by the Board to make corrections to them.

TREASURER'S REPORT:

Stephen Miller said that the expenses for the month were fairly standard. Miller noted the bank balance from the last bank statement. Jake Lenderking moved to accept the Treasurer's Report and pay the bills as presented. Bob Marsh seconded the motion, which carried 7-0.

UPDATE ON THE WATER INFRASTRUCTURE FINANCE AUTHORITY:

Chelsea McGuire, the interim Director of the Water Infrastructure Finance Authority of Arizona (WIFA) said that former WIFA Director Chuck Podolak had retired in December. She said that a permanent Director would be appointed soon. McGuire said that WIFA would receive an additional \$14 million from the Governor's Office for its Water Conservation Grant fund. She said that the Water Conservation Grant fund had initially been funded at \$200 million, from COVID relief monies.

McGuire said that there was about \$450 million in the WIFA Long-Term Water Augmentation fund, to be used on importing new water into Arizona. McGuire noted that WIFA had received an unsolicited proposal for a desalinization plant in the Sea of Cortez in 2022 and had spent much of all of 2023 and some of 2024 developing criteria to assess those kinds of projects through a competitive process. She said the ultimate process developed consisted of three phases: the first was solicitation, where WIFA asks for the qualifications of teams of people of firms to later develop importation ideas. For the second phase, WIFA intends to put those teams making the cut in the initial part of the process under contract to work for WIFA. The third phase will be the development of the actual project, McGuire said. She added that the submittals for the initial phase of the work were due on February 6, 2025. McGuire said that WIFA hoped to have the teams identified and beginning work on the second phase by summer.

Craig McFarland asked if the use of the word teams implied that there would be more than one group of people working towards the second phase. McGuire said that she and the Board hoped for multiple teams after the initial part of the process. She said that 3-5 would be a good range, while too many more would not lend itself to the completing the second phase feasibility analysis in a timely manner. Jake Lenderking asked if there was a timeline for the second phase. McGuire said she hoped for 2-3 years, rather than too much longer. Bill Collings asked if 25% of the fund was eligible to be used for local or in-state augmentation. McGuire said that WIFA was required to spend 75% of WIFA funding was required to be spent on importing water, while up to 25% of funds could be spent on in-state projects. McGuire said that the Board was focused on the out-of-state mission and viewed the other 25% as a possible bridge to ultimately get there. She added that WIFA had not yet developed a process for solicitation of the possible in-state monies. She said that she thought that process would be developed during 2025. Collings clarified that he was specifically thinking about the PCWAA participation in the Bartlett Dam modification study group, and wondered if that project might qualify. McGuire said that she felt that a project like that was probably what the legislature had in mind when it allowed for WIFA to utilize some of the funding for in-state projects. Collings said that the Board had also looked at rainfall augmentation, and wondered if that might qualify for WIFA funding. McGuire said that she thought it could, but clarified that it would depend on the criteria that the WIFA Board puts in place to reflect its desires. Craig McFarland noted that effluent reuse projects were easier to facilitate and wondered if direct effluent reuse might be eligible for funding. McGuire said that reuse projects could be attractive as it was known how to implement them, additionally noting that WIFA also received federal monies that were available for projects, and that this kind of project could qualify outside of the state revolving funds.

Stephen Miller noted that WIFA had \$214 million for conservation projects. He asked if upgrading leaking infrastructure would qualify for funding under a conservation program. McGuire said that it would, noting that WIFA initial \$200 million for conservation was committed, and estimated to save 5.5 million acre-feet during the life of those projects. She noted that there were possibilities for these kinds of projects to be funded through WIFA's state revolving funds. Collings asked if replacing substandard distribution pipes within an irrigation water delivery district might qualify for funding. McGuire said that replacing such piping was popular among projects that the WIFA Board had previously approved as the project saved a lot of water. She recommended looking at the WIFA website to see how some of those projects were scoped and put together to get an idea of what the Board had previously favored. Collings asked when the deadline was for submitting applications for conservation grants. McGuire said that the original application form was being amended, and that the new application form should be available in early February, and that the application process would be open for 30 days. She noted that the aggressive timeframe was due to the funding being COVID relief monies that had to be spent by 2026.

## PCWAA BONDING AND PROPOSED STATUTORY CHANGES:

Joe Singleton reminded members that the Board had held a study session meeting last week to go through the details of the changes that were being proposed by bond counsel to the existing PCWAA statutory framework in order to update it and facilitate the Authority's ability to utilize their bonding capability. Singleton said that this draft language was the results of several meetings where the group considered PCWAA finances and new water supplies. Singleton said that the proposed language does not provide PCWAA with new bonding authorities, like general obligation bonding, but rather would serve to strengthen the Authority's ability to issue revenue bonds. Singleton said that the Board could elect to move forward with trying to enact the proposed changes through the legislature. Craig McFarland said that he supported moving forward with the proposed statutory changes in order to strengthen the PCWAA's ability to bond. Jake Lenderking said that he also supported the changes, noting that it could help finance current projects as well as future ones. Bill Collings said that he felt that the language reinforced PCWAA's ability to use revenue bonds. Stephen Miller said that he thought the changes were a positive and would advance the Authority's cause through facilitating the ability to finance projects. Craig McFarland moved to approve moving forward with seeking statutory changes to PCWAA financing language. Stephen Miller seconded the motion, which carried 7-0.

## BARTLETT DAM MODIFICATION / SCIF:

Joe Singleton said that the last meeting of the Bartlett Modification group had been at the November Steering Committee meeting where the annual fees were set. He said that SRP had reached out and indicated that there would probably be a quarterly update meeting in February or March 2025. He said that there had not been any new meetings on the SRP/CAP Interconnect Facility (SCIF), but that Bureau of Reclamation (BOR) Commissioner Camille Touton would be at SRP tomorrow for a signing ceremony that would mark an important step towards utilizing the so-called Bucket 2 funding in conjunction with the project. Bill Collings said that the quarterly steering committee meeting may be scheduled around the anticipated release of the BOR capacity request from the Bartlett project.

## EXECUTIVE DIRECTOR REPORT:

Joe Singleton told members that the Department of Water Resources would be initiating a stakeholder process to discuss putting an "Ag-to-Urban" program in place within the Assured Water Supply (AWS) rules. Singleton said that the Department had said that the Ag-to-Urban stakeholder process would be more open than the Alternative Path to Designation of AWS process had been, and allow for greater public participation in the discussion and development of the program. Singleton said that the groups' initial meeting would be later in the week, conducted both in-person and over video. Singleton told the group that the Arizona Senate was also engaging in an Ag-to-Urban policy development process, and would meet with

stakeholders next week. Singleton said that following the initial meetings, there should be a better sense of how the Senate wanted to proceed with their process.

Singleton said that he had been engaged in end-of-year activities since the last Board meeting. He said that he had prepared filings for the Secretary of State's office, accounting for 2024 tax filings, and would be sending out the partnership funding letters soon. He added that he had participated in some discussion on how future updates to the Pinal AMA groundwater modelling would work, noting that update work from ADWR had not been timely. He said that he would keep membership up-to-date on any additional discussion of model updates.

#### LOBBYIST REPORT:

Cheyenne Walsh of Compass Strategies told the Board that the 2025 legislative session had opened yesterday. She said that Governor Hobbs "State of the State" address discussed water. Walsh said that there had not been a lot of water-related legislation introduced yet. She noted that HB 2056 had been introduced by incoming Republican Rep. Lisa Fink and sought to repeal the cloud seeding statutes and geoen지니어ing. Walsh said that the 7-bill deadline for the House is Friday (after which each member may only be the prime sponsor of 7 bills). Walsh told the group that the deadline to file bills in the House was the beginning of February, while the Senate deadline would be at the end of the month. Walsh said that she expected a bigger year for water legislation, and noted that the PCWAA legislation was being drafted at legislative council, and would hopefully be sponsored by Sen. Shope. Walsh told the Board that she had meetings scheduled with Chris Lopez and Teresa Martinez to see if they would co-sponsor the bill. She told the group that the Senate Natural Resources committee and the House Natural Resources, Energy and Water committee would both meet on Tuesdays, and were only hearing presentations this week.

Criag McFarland asked if the Pinal legislation had been given a bill number yet. Walsh said that they currently only had a folder number. McFarland asked if as it was a new legislative session if they had to redo their signup to comment on legislation. Walsh said that she thought that the first login of the session needed to be done in person at the Capitol, but subsequent logins could be done remotely. Walsh said that she could help any member that needed more information on setting up and account. Bill Collings asked if Walsh knew what was the impetus for the bill repealing the cloud seeding language. Walsh said that she did not know, but Rep. Fink seemed to lean towards the right side of her caucus.

#### PINAL STAKEHOLDER PROCESS REPORT:

Stephen Miller said that he had no update, and suggested removing the reporting item from the agenda until further notice. Miller said that he had met with Rep. Gail Griffin last Friday. He said that, referencing Joe Singleton's report, he thought that PCWAA should be responsible for seeing that the Pinal AMA groundwater model was kept updated. He noted that there would likely be additional expense in maintaining the model.

PCWAA REORGANIZATION:

Jake Lenderking said that the group had gone through their process and focused on the bonding language, which PCWAA would now try to move through the legislative process. He said that the group had discussed looking for additional revenue measures. Bill Collings said that he wanted the group to come back together to deliberate additional sources for routine funding after the legislative process for the PCWAA bonding language.

CHAIR'S REPORT:

There was no report from the Chair.

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. There was no response.

NEXT MEETING DATE:

The next meeting will be held on February 11, 2025 at 7:00 a.m.

ADJOURN

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

ATTEST:

  
William Collings, Chairman

  
Stephen Q. Miller, Secretary-Treasurer