

Pinal County Water Augmentation Authority

MEETING MINUTES

MINUTES OF MARCH 11, 2025:

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 (at 7:10 A.M.)
- Bryan Hartman, Maricopa-Stanfield Irrigation & Drainage District
- Derek McEachern, Central Arizona Irrigation and Drainage District
- Jake Lenderking, Water utilities without a CAP water subcontract
- Craig McFarland, City of Casa Grande
- David Malewitz, City of Eloy
- 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
- Mitch Basefsky, Central Arizona Project
- Lonnie Frost

CALL TO ORDER:

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

QUALIFYING AND SEATING OF NEW DIRECTOR:

Joe Singleton told the Board that the newly-appointed representative for the City of Eloy, City Manager David Malewitz, had signed his loyalty oaths and qualified to be seated as a member of the PCWAA Board. Singleton said that he would be taking over for Matt Rencher as the City's representative to the Board. Accordingly, he was seated as a member of the Authority Board.

APPROVAL OF MINUTES:

Craig McFarland moved to approve the minutes as drafted from the meeting of February 11, 2025. Fred Schneider seconded the motion, which carried 8-0. **COLLINGS, HARTMAN, LENDERKING, McEACHERN, McFARLAND, MALEWITZ, MILLER, SCHNEIDER.**

TREASURER'S REPORT:

Stephen Miller said that the expenses for the month were in order, with invoices from Compass, Matrix, USPS and reimbursements to Joe Singleton detailed. Miller noted the bank balance from the last bank statement. Craig McFarland moved to accept the Treasurer's Report and pay the bills as presented. Jake Lenderking seconded the motion, which carried 8-0.

CLOUD SEEDING:

Bill Collings said that he had wanted to revisit this item, as it appeared that bills in the current legislature that would disallow cloud seeding would fail to pass. He said that he wanted to check in with the Board on if the Authority still wanted to pursue a pilot Pinal cloud seeding project. Collings noted that several concerns had been raised about using silver iodide as a cloud seeding agent and proposed moving forward using calcium chloride as seeding agent, as was also noted in the feasibility study that was completed for PCWAA. Collings said calcium chloride was FDA-approved and was used as a food additive and in several sports drinks. He said that as such it should not raise the same issues that the silver iodide had, and noted that PCWAA had a contact from the original consultant who completed the feasibility study. Stephen Miller asked what the initial cost projects were. Collings said the initial costs from the feasibility study were \$230,000-\$240,000. Collings noted that the costs might be \$300,000 by now given inflation. Miller noted that getting a cost proposal would not cost the Authority anything. Joe Singleton noted that the Authority's previous efforts towards implementing a pilot cloud seeding program had led to ADWR creating a form to apply for a cloud seeding

program, which did not exist prior to PCWAA's interest. Melissa Campbell said that she thought it was looking into. Jake Lenderking wondered if there was a possibility of obtaining grant money to use in a pilot program. Collings said that he and Joe Singleton had mentioned the cloud seeding concept to WIFA Director Chelsea McGuire, who reacted favorably to the concept of WIFA funding, but might need the pilot stage to be completed first. Lenderking said that he thought that the Bureau of Reclamation (BOR) had funds available for investigative, speculative projects like a cloud seeding pilot program. Collings noted that the weather last summer was not conducive to cloud seeding, and that this summer might have a more traditional monsoon season. Collings said that he would reach out to the cloud seeding contractor.

BARTLETT DAM MODIFICATION / SCIF:

Bill Collings said that the Bartlett Dam Steering Committee had met about a week and a half ago and that SRP had presented new cost estimates for the project. He said that construction and design costs had gone up from about \$3,000 / acre-foot (AF) of capacity to \$ 9,900 / AF of capacity behind the modified Bartlett Dam. Collings noted that the price of the water that PCWAA might receive from the modified dam was rising significantly, and wondered if the PCWAA partners that would be the distributors of the water would still be interested at the increased price. Collings noted that the amount, if any, that the BOR might want from the capacity of the modified dam was still unknown.

Joe Singleton added that the ultimate cost of settling with the Buckeye Water Conservation and Drainage District (BWCDD) could result in some Bartlett partners, including PCWAA, giving up some of their current allocations to BWCDD. Collings said that a tentatively scheduled second meeting with BWCDD was cancelled as the scheduling was problematic. Singleton added that the total project cost estimates did not include the cost of relocating an Arizona Public Service power transmission line. Collings said that the next \$100,000 from PCWAA to the project was due any time and would cover the next years' worth of being a Steering Committee partner to the project. He said that given that the money was already nearly due, that PCWAA might as well stay in the project for now. Jake Lenderking said that Global was still interested in the water, noting that he felt that we would not see a supply like this again. He asked if there were documents that detailed the cost so that he could share them with the appropriate people in his organization. Singleton said that he would send the meeting slides out, although they lacked some detail. Fred Schneider said that this would still probably be the cheapest water supply available any time soon. He said that Arizona Water Company, as a Steering Committee member separate from PCWAA would fund their next years' Steering Committee costs and remain in the process. Collings said that he hoped to take a firm line with BWCDD at their next meeting regarding giving up supplies in a settlement.

Joe Singleton said that they had met with the SRP staff running the SRP/CAP Interconnect Facility (SCIF) project on February 13, 2025. Singleton said that at that time the Bucket 2 federal funding was still in play, but might not still be available today. He said that the clock on using those funds began in January 2023 and needed to be spent in 5 years. Singleton said that with Bucket 2 money available PCWAA had a chance to offset a good portion of the

costs it would owe for the SCIF through using some of the Authority's long-term storage credits. He told the group that the SCIF project had brought in WestLand Resources as the NEPA consultant to help prepare for the NOI process. Singleton said that the partners received a water quality update, which was mostly inconsequential, but noted that there was a PFABs issue. Singleton said that the current cost estimates would lead to a PCWAA cost of about \$40,000, based on the space allocation.

EXECUTIVE DIRECTOR REPORT:

Joe Singleton told members that Cheyenne Walsh had spoken to Sen. Farnsworth about his geoengineering bill, which is like legislation that Rep. Fink is running in the House. Singleton said that Farnsworth agreed to remove language from his bill that would prohibit cloud seeding. Singleton said that as those provisions were being removed, PCWAA would cease to oppose his bill.

Singleton said that there were two processes taking place to enact an "Ag-to-Urban" program. One, a senate bill, passed out of the chamber and was transmitted over to House. The other, at ADWR, would meet again at 10 a.m. tomorrow. Singleton said that a second lawsuit had been filed seeking to nullify the Alternative Path to Designation of Assured Water Supply (ADAWS), as the state Senate and House of Representatives joined the Homebuilders Association of Central Arizona in suing the Arizona Department of Water Resources over the program. Singleton told members that Spencer Kamps of the Homebuilders Association of Central Arizona would not support the PCWAA bonding language cleanup bill. Singleton said that PCWAA had held a special meeting between PCWAA representatives and the bond attorneys from Stifel Nicolaus & Company and Greenberg Traurig in order to explain the proposed changes that the legislation engenders. Kamps expressed that he was concerned that the legislation would end up cost the homebuilders more money, as he had expressed with several other pieces of legislation. Singleton said that they waiting for language from Kamps that would apparently allay his concerns. He told the group that the PCWAA legislation had been assigned to Sen. Hoffman's Government committee and not the Natural Resource committee as they had expected. Singleton said that Hoffman did not hear the bill before the committee deadline to hear bills, putting it in limbo for the time being.

Singleton told members that the City of Casa Grande was going through their budget process for next year, and the PCWAA had applied for partnership funding for the upcoming fiscal year. He said that the funding request letters to collect for this year's contributions were going out soon. He added that the Agribusiness and Water Council of Arizona was having their annual roundtable meeting on March 28, 2025 at SRP's Pera Club. He said that the meeting topic would be "Arizona Agriculture Challenges, Resources and Solutions." He told members to let him know if they wanted to attend.

LOBBYIST REPORT:

Cheyenne Walsh of Compass Strategies told the Board that the next legislative committee deadline was March 28, 2025. She said that Spencer Kamps of the Homebuilders Association of Central Arizona (HBACA) had promised language to address his issue for several weeks, but had not produced it. She said that he seemed mollified that existing impact fee language in other statutes might be sufficient to address some of his concerns, but that his other comments indicated that he might have concerns about water resource fees, and that residential development does not have to pay for more than 100% of their water demands. Walsh said that concept goes to the heart of the ADAWS program that was recently passed and championed by the Governor's Office, and that she was worried that adding language to the legislation to satisfy the HBACA concerns in order to get the bill through the legislature would ultimately be at odds with the Governor, who would have to sign the bill for it to take effect. Walsh said that the PCWAA bill was assigned to the Government committee less than two days before the committee's final agenda was set, and there was not sufficient time to marshal resources to get the bill on his final committee agenda to hear Senate bills. Walsh said that Sen. Shope (the sponsor of the PCWAA bill) had offered to talk to the chairman of the Government Committee (Sen. Hoffman) to try to get the PCWAA legislation attached as a strike-everything amendment in the Government committee, as Senate leadership will not allow strikers to be used to go around a committee chairman. Walsh said that running the legislation in the House (also as a striker) would be viewed the same way by Senate leadership. Walsh said that she did not know Sen. Hoffman very well, but had heard that Pinal County Supervisor Goodman did, and there might be a conversation to be had there to move the bill.

Craig McFarland said that he had talked to Spencer Kamps last week, and that he was told by Spencer that language had been worked out with Walsh. Walsh said that she had offered to look at language (and take it back to the Board) when Kamps produces it. Stephen Miller said that circumstances did not seem favorable to getting the legislation passed this year. He said that he felt that HBACA bills would not be signed by Gov. Hobbs this year. Bill Collings asked Walsh if she had spoken to Senate President Peterson about why the PCWAA bill had been assigned to the Government Committee and not the Natural Resources Committee. She said that staff had told her that Peterson considered the bonding provisions of the bill more of a Government-related issue than a water-related issue. Walsh said that HBACA claimed that they did not put effort into the committee assignment of the legislation. Walsh acknowledged that the legislation would have a tough path forward, particularly this session, given that the HBACA was party to suing over the Governor's ADAWS program. Chairman Collings expressed skepticism that putting more effort into trying to work with the Homebuilders or wait longer for their language would produce results for the PCWAA, and wondered if trying again during the next legislative session would be better. Stephen Miller agreed. Jake Lenderking asked if there was an intermediate step between waiting until next year and being stuck at the point in the process where the legislation was today. Walsh said that it was late in the process for many moves, and probably too early to talk about next year. She said that several other bills were amended in order to satisfy HBACA desires.

Walsh said that Rep. Griffin's "Ag-to-Urban" bill had moved through the Committee of the Whole (COW) process, and was now sitting awaiting further action, while the bills' counterpart in the Senate had not yet been assigned for floor action. She said that now that ADWR had released the structure of their "Ag-to-Urban" program that there were some differences to be worked out, including how much water the provisions would account for, and the "1 out of 5" vs. "3 out of 5" irrigation history to qualify farmlands for the program. She told members that the bills and the rulemaking handled these issues differently. Walsh said that Governor Hobbs Water Policy Advisor Patrick Adams had asked for a letter supporting the rulemaking package (the ADWR process).

Stephen Miller asked if there was a water bill still moving through the legislative process (i.e. "alive") that did not have the Homebuilders Association of Central Arizona (HBACA) attached to it. Walsh said that she would check, but that many were bills that wither originated at the HBACA's request or had been amended to accommodate HBACA since being drafted. She said that the CAP bill on annual CAGR membership dues was still in the process and was unaffected by HBACA. Joe Singleton asked how members felt about the letter supporting the Ag-to-Urban rulemaking process that Patrick Adams had asked for. Bill Collings said he was OK with supporting the ADWR effort, but was troubled by the "1 of 5" vs. "3 of 5" issue, stating that farming sometimes led to fallowing some lands. Stephen Miller asked if fallowing could be recognized as a farming practice, and not counted against the irrigation history for purposes of program qualification. Bryan Hartman said that requiring a 3-years-out-of-5-years irrigation history would not work with farm practices that include fallowing or with drought insurance. He said that the 1-year-out-of-5-year was not negotiable for him. Derek McEachern said that the CAIDD Board felt the same.

CHAIR'S REPORT:

There was no report from the Chair.

CALL TO THE AUTHORITY:

There was a call to the Authority. Stephen Miller said that he wanted to write a letter detailing water concerns copied to Pinal-area legislators and the newspaper. Miller said that he felt that they had been backed into a corner and needed to push back. Bryan Hartman agreed. Fred Schneider said that a lot of action was initiated within a short period of time of Assured Water Supply-related issues coming to light in the Phoenix AMA, while Pinal continued to struggle against roadblocks in trying to get to solutions. Craig McFarland wondered if a lawsuit would be eventually required. Bill Collings noted that ADWR had not released Pinal modelling showing known groundwater concerns for at least several years before being forced to do so. Stephen Miller said that PCWAA had invested significant resources into studying that ADWR groundwater model and related Assured Water Supply assumptions to no avail with ADWR. Bill Collings noted that ADWR appeared to have used several aspects of that modelling work towards mitigating Phoenix AMA issues, but not Pinal ones. Bill Collings said that the HBACA

seemed focused on the metro Phoenix area to the detriment of the Pinal area. Fred Schneider said that he had talked to Spencer Kamps and told him that HBACA left Pinal out of their priorities. Schneider said that Kamps had disagreed, but Schneider pointed out to him that Kamps did not know who the Mayor of Casa Grande was until told by Schneider, nor meet with him until Schneider himself setup the meeting. Bill Collings said that he felt that as part of the Bartlett Steering Committee, where most of the other members represent valley cities, that Pinal was not regarded as part of central Arizona. Bryan Hartman asked if there was an update on the monies that were swept from the Drought Contingency Plan (DCP) funding that was promised to farmers. Walsh said that she had spoken to Russell Smolden (the MSIDD lobbyist) and that he told her he was working on two administrative paths to recover the funding. The first was extended the DCP for another year, and the second Smolden was working with ADWR.

CALL TO THE PUBLIC:

There was a call to the public. Mitch Basefsky of CAP said that the Colorado River system was at 87% of normal. Basefsky said that the Nation Weather Service was projecting above average precipitation over the next 10 days. He reminded members that the Bureau of Reclamation used the April version of the 24-month study to set changes to their operating parameters. He said that they currently expect Arizona to again be in Tier 1 shortage conditions for the 2026 water year, which would result in a 7.48 million-acre-foot (MAF) release from Lake Powell into Lake Mead. Bill Collings asked if federal funding cuts would affect staff to the BOR. Basefsky said that feedback to CAP from Washington D.C. was that funds were more likely to be released for western water concerns than might be for other projects. Basefsky said that he was led to believe that the only staff that had been cut so far were from the California office.


NEXT MEETING DATE:

The next meeting will be held on April 8, 2025 at 7:00 a.m.

ADJOURN

The meeting was adjourned at 8:27 a.m.

ATTEST:


William Collings, Chairman


Stephen Q. Miller, Secretary-Treasurer