Pinal County Water Augmentation Authority

MEETING MINUTES

MINUTES OF OCTOBER 13, 2026:

A meeting of the Pinal County Water Augmentation Authority was convened at 7:01 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
- Stephen Miller, Pinal County (until 7:14)
- Fred Schneider, Water utilities with a CAP water subcontract
- 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 & Drainage District
- Mackenzie Letcher, City of Eloy
- Craig McFarland, City of Casa Grande

Also Present:

- Joe Singleton, PCWAA Executive Director
- Mitch Basefsky, Central Arizona Project
- Cheyenne Walsh, Compass Strategies
- Lonnie Frost
- Cory Runyon, Vidler Water Company, Inc.

CALL TO ORDER:

Chairman Bill Collings called the meeting to order at 7:01.

APPROVAL OF MINUTES:

Stephen Miller moved to approve the minutes of the September 8, 2026 Board meeting. Bob Marsh seconded the motion, which carried 10-0. **CAMPBELL, COLLINGS, HARTMAN, LENDERKING, LETCHER, MARSH, McEACHERN, McFARLAND, MILLER, SCHNEIDER.**

TREASURER'S REPORT:

Stephen Miller noted the expenses on the List of Bills were typical, noting payments to Baker Tilly for partial payment of the last financial audit and for accounting. Miller noted the bank statement, with a bank balance of $796,749.95. Fred Schneider moved to accept the Treasurer's Report and pay the bills as presented. Jake Lenderking seconded the motion, which carried 10-0.

PCWAA FUNDING:

Stephen Miller said that he had met with Mark Reader at the County Supervisors Association meeting. Miller said that Reader asked about numbers for bonding PCWAA capital projects. Joe Singleton said that he had numbers for Bartlett construction. Miller said that Kirk McCarville had contacted him to update him on the Harquahala process. Miller said that they would be taking orders on Harquahala water until around mid-November, when the process would close up until next year, likely at a higher price. Miller said that he would reach out to Kirk McCarville to have him draft a preliminary letter of intent to purchase some of the Harquahala water. Jake Lenderking asked if the letter would be a binding commitment. Miller said that he would clarify that with McCarville. Miller left the meeting at this point in order to keep another appointment.

FY 26 PCWAA AUDIT:

Joe Singleton said that he had sent out the final audit from Baker Tilly. He said that the audit did not recognize anything out of the ordinary in its findings. Singleton told members that the Management Discussion and Analysis had changed a little from previous years because of a change in what was required to be included. He said that some of the dialogue topics that had been commonly included here before were removed as a result. He noted that the audit showed program revenues from ADWR dropping from $400,000 in FY25 to $200,000 in FY 26, as FY 25 actually had two annual disbursements from ADWR counted in the same fiscal year, as one of them was received from the state after the end of the previous fiscal year. Singleton noted that the Reporting and Insights document had some good summary content. He offered

to answer any questions about the audit. Fred Schneider moved to approve the FY26 PCWAA audit. Derek McEachern seconded the motion which carried 9-0. **CAMPBELL, COLLINGS, HARTMAN, LENDERKING, LETCHER, MARSH, McEACHERN, McFARLAND, SCHNEIDER.**

CAIDD WATER AQUISITION:

Derek McEachern said that the Central Arizona Irrigation & Drainage District (CAIDD) had entered into a Memo of Understanding (MOU) with Cadiz, Inc. in California to explore acquiring up to 10,000 acre-feet (AF) of water. McEachern said that the current estimated cost was $2,000 / AF, which he noted was far more than the CAIDD's target rate of $100 - $200 / AF. He said that according to Susan Kennedy, the CEO of Cadiz, there was likely available grant funding out there that could be used to mitigate the cost of the water. McEachern said that discussion at CAIDD raised the possibility of the water costs remaining to high to be utilized for district agriculture, but noted that in that event it may be of use to another Arizona entity.

Bill Collings asked what process CAIDD went through that led to the MOU with Cadiz. McEachern said that CAIDD lobbyist Nick Simonetta had introduced CAIDD and Cadiz to each other earlier this year. Collings asked how the District intended to convey the water to the Eloy area. McEachern said that they had had preliminary talks with Central Arizona Project (CAP) about using the CAP canal. Joe Singleton asked if Cadiz was exploring grants opportunities on behalf of CAIDD or if they were looking into it themselves. McEachern said that it was likely that they would pursue grant funding together.

TRANSACTION OF PCWAA LONG-TERM STORAGE CREDITS:

Bill Collings told members that the current number of credits held by PCWAA was 7,223.08 AF. He said that the Authority had received a request to exchange PCWAA credits stored in the Maricopa-Stanfield Irrigation & Drainage District's (MSIDD) Groundwater Savings Facility for credits held in storage at a different site by Vidler Water Company. Joe Singleton said that PCWAA had about 1,800 AF of long-term storage credits in MSIDD, and said that Cory Runyon, the Water Resource Manager from Vidler was online for the Board meeting. Runyon said that Vidler had an agreement with the Gila River Water Storage (GRWS), the joint-venture between Salt River Project and the Gila River Indian Community, and had acquired much of their long-term storage credits. He said that the credits had initially been earmarked for D.R. Horton, but were now free from that obligation, and Vidler had made it known that they had credits available. Runyon said that as result, they had been approached by a natural gas facility that needed 2,000 AF of credits in the MSIDD area. He said that the credits that Vidler has are in the Hohokam area, so trading those for credits in the Maricopa area makes sense for that project.

Jake Lenderking said that water availability is always tied to its geography, and said that the MSIDD area was Global's primary business area. He said that he hoped to spend more time considering how the PCWAA credits might be utilized, noting that the Board had not engaged in

this kind of activity while he was on the Board. Collings noted that the policy had been revised a few years ago, but had been substantially in place for 16 years. Lenderking said that Global could be interested in acquiring the Authority credits. Collings asked if there were concerns from other members concerning the possible transfer of MSIDD credits for Hohokam credits. Fred Schneider said that from a member standpoint, he had a similar opinion to Lenderking's, noting that his primary business area in the Pinal AMA was in the CAIDD and Hohokam areas. Schneider asked if the credit policy could be again disseminated to the Board. Collings agreed, noting that the sale value in the policy documents should also be revised. Runyon offered to follow up with Board members, noting that they had other credits that could be available.

CONTRACT WITH SPHEROS ENVIRONMENTAL:

Joe Singleton said that Nathan Miller had left Matrix New World Engineering and was now working for Spheros Environmental. Singleton said that Miller had reached out by email and said that he would like to continue working with PCWAA on any appropriate tasks that the Authority might have. Singelton said that he had spoken to Fred Schneider, as Arizona Water Company had done a lot of business with Miller at Matrix to get a sense of Miller's new situation, and Arizona Water's desire to continue with either Miller or Matrix. Singleton noted that Miller had a lot of experience with the ADWR Pinal AMA groundwater model, and specific experience with the modelling work of PCWAA, as he himself had overseen the work with Matrix. Singleton said that the agenda item contemplates a contract with Speros Environmental in order to continue a working relationship with Nathan Miller. Fred Schneider said that he wasn't aware of another modeler that knew the Pinal AMA as well as Miller, and that he strongly supported PCWAA engaging in a contract with Spheros. Schneider said that when he made hiring decisions, he did so based on the person and not necessarily the firm. He said that Arizona Water Company was signing an agreement with Spheros in the next few days. Joe Singleton agreed, noting that it would take some time to get someone new even up to speed with what Miller already knew about the model. Craig McFarland asked about the contract status with Matrix. Singleton said that there was an open contract that had been agreed to several months ago in order to continue utilizing Miller for information and guidance as well as interacting with ADWR on PCWAA's behalf. Singleton and Collings clarified that the current Matrix contract was on an "as needed" basis. Singleton noted that he expected one more invoice from Matrix as Miller and his colleague had briefed the PCWAA Board last month concerning Ag-to-Urban while they were both Matrix employees. Collings said that he would like to see a small contract with Miller, with an amount treated like a retainer. Singleton said he would reach out to Miller for draft contract language.

BARTLETT DAM MODIFICATION / SCIF:

Bill Collings said that there was little news concerning the Verde River Sediment Mitigation (i.e. "Bartlett Dam") project. He said that the non-federal working group would meet on September 22, 2026, and the SRP-CAP Interconnection Facility (SCIF) group would meet again on September 26, 2026.

EXECUTIVE DIRECTOR REPORT:

Joe Singleton told members that the Arizona Water Banking Authority (AWBA) had met shortly after the last PCWAA Board meeting and discussed the reductions to Colorado River supplies for next calendar year. Singleton said that those reductions would trigger a firming obligation to the Gila River Indian Community of 12,849 AF. He said that AWBA staff reported that they had initiated discussions with the CAP subcontractors regarding firming, in order to determine who might take long-term storage credits and who needed wet water firming of their shorted water supplies. Singleton said that at least three subcontractors appeared (at least for now) to require wet water for firming purposes, the City of Chandler having the greatest demand. He said that the total was about 1,400 AF for those three entities. Singleton said that many other entities (although the AWBA staff had yet to talk to all of the subcontractors) were willing to engage in what was termed independent recovery, which was accepting long-term storage credits in order to satisfy shortage firming. Singleton said that according to AWBA staff, several contractors had declined firming altogether. Singleton reported that the AWBA had authorized Tom Buschatzke to implement the 700 + Plan independent of further AWBA action. Singleton said that AWBA would meet again at their early December meeting. Singleton noted that in the meantime, AWBA staff would present (or already had) their 2027 Draft Plan of Operations to the Phoenix, Pinal and Tucson AMA Groundwater Users Advisory Councils for input and comment, as was customary.

LOBBYIST REPORT:

Cheyenne Walsh said that by the next Board meeting the makeup of the 2027 legislature and statewide offices should be mostly known.

CHAIR'S REPORT:

Chairman Bill Collings said that the Pinal AMA Groundwater Users Advisory Council had met in September. He said that the Council had received presentations from Project WET, the Natural Resources Education Center and Irrigation Management Services, as the Council normally does from grant recipients through the Water Management Assistance Program (WMAP) for the Pinal AMA. Collings said that these groups were all seeking additional funding from the previous years' dispersals. Collings told members that ADWR staff indicated that pump tax monies, and the part of those that fund the AMA's WMAP, is declining and would likely ruin out of funds in a couple of years. Collings said that the Council recommended increasing the withdrawal fees from $3.10 to $3.15 / AF, in order to accommodate an increase to the WMAP fund to $.80 / AF.

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 Central Arizona Project said that work was continuing on the 3 State agreement (Arizona, California and Nevada). Basefsky said that there would be a CAP University session on October 27, 2026 at 9:00 a.m. that was focused on the Central Arizona Groundwater Replenishment District. Basefsky added that CAP would hold a strategic planning roundtable on October 29, 2026.

NEXT MEETING DATE:

The next meeting will be held on November 10, 2026 at 7:00 a.m.

ADJOURN

The meeting was adjourned at 8:07 a.m.

William E. Collings

ATTEST: William Collings, Chairman

Stephen Q. Miller, Secretary-Treasurer