

MINUTES OF THE  
ARIZONA MUNICIPAL WATER USERS ASSOCIATION  
BOARD OF DIRECTORS  
MEETING

December 20, 2007

MEMBERS PRESENT:

Mayor Steven Berman, President, Gilbert  
Mayor Bob Barrett, Peoria  
Councilmember Trinity Donovan, Chandler  
Vice Mayor Hut Hutson, Tempe  
Mayor Mary Manross, Scottsdale  
Councilmember Claude Mattox, Phoenix  
Mayor Elaine Scruggs, Glendale, via teleconference  
Vice Mayor Claudia Walters, Mesa  
Vice Mayor Charles Wolf, Avondale

ASSOCIATE MEMBER PRESENT:

Councilmember Brenda Holland for Mayor James Cavanaugh, Goodyear

OTHERS:

Marilee Avina, AMWUA	Doug Kukino, Glendale
Alice Brawley-Chesworth, Phoenix	Brad Lundahl, Scottsdale
Marshall Brown, Scottsdale	Beth Miller, Scottsdale
Tom Buschatzke, Phoenix	Dorothy O'Brien, Peoria
Marc Campbell, SRP	Steve Olson, AMWUA
Jo Cook, AMWUA	Ryan Peters, Glendale
Val Danos, AMWUA	Diana Piña, AMWUA
Kathleen Ferris, Attorney	Stephanie Prybyl, Gilbert
Jeff Gray, Phoenix	Stephen Rot, Glendale
Shirley Gunther, Avondale	Kathryn Sorensen, Mesa
Pat Hill, AMWUA	Robin Stinnett, Avondale
Dave Iwanski, Goodyear	Melissa Taylor, Phoenix
Eric Kamienski, Tempe	Doug Toy, Chandler
	Tom Wilson, SRP

1. CALL TO ORDER

Vice Mayor Hutson called the meeting to order at 11:10 a.m.

2. APPROVAL OF THE MINUTES FROM THE OCTOBER 18, 2007 MEETING AND THE NOVEMBER 7, 2007 SPECIAL BOARD MEETING

Upon a motion by Councilmember Mattox and a second by Mayor Manross, the minutes of the October 18, 2007 meeting were unanimously approved.

Councilmember Mattox requested a correction to the minutes of the November 7, 2007 Special Board meeting. He stated that the minutes did not relate to the discussion held by the Board that there had not been any stakeholder meetings and that was the reason that the Board is now into the stakeholder discussion for the legislation. He also stated that the minutes should reflect that he agreed to participate in the stakeholder process on this legislation.

A vote was not taken by the AMWUA Board of Directors on the November 7, 2007 Special Board meeting. Mr. Olson stated that the minutes would be redrafted and revisited by the AMWUA Board at their January meeting.

3. SET NEXT MEETING DATE

The next meeting date of the AMWUA Board of Directors was scheduled for Thursday, January 17, 2008 at 11:00 a.m. at the AMWUA offices. Mayor Scruggs noted that the Governor would be holding a West Valley State of the State Address on January 17. Mr. Olson stated that the AMWUA staff would contact the Board members to inquire on a quorum for the January 17 Board meeting.

4. AMWUA 2008 LEGISLATIVE WATER POLICY RESOLUTIONS AND ISSUE PAPERS

Mr. Olson stated that the AMWUA 2008 policy resolutions and issue papers include editing changes as a result of previous discussions and legislation which was passed last session on rural water issues. Mr. Olson referred to Ms. Pat Hill to discuss the changes to the 2008 AMWUA resolutions and issue papers.

Ms. Hill stated that all the resolutions have been changed to reflect AMWUA's purpose as stated on the AMWUA letterhead. She noted that this change is mainly for consistency purposes.

Ms. Hill discussed the changes to the resolutions and the issue papers. There was a discussion by the Board on the changes, and recommendations were made by Mayor Manross, Councilmember Mattox, Vice Mayor Walters, Mayor Scruggs, and Ms. Ferris on further changes to the resolutions.

Upon a motion by Vice Mayor Walters and a second by Vice Mayor Wolf, the AMWUA Board of Directors unanimously voted to approve the AMWUA 2008 Legislative Water Policy Resolutions and Issue Papers with the recommended revised changes.

5. UPDATE ON SUSTAINABILITY POLICIES STAKEHOLDERS PROCESS

Mr. Olson stated that the first stakeholders' meeting was held on December 7, 2007 with over 60 people in attendance. He stated that there was a broad cross-section of interests that attended the meeting. Mr. Olson stated that the focus for the first meeting was to identify the interests and concerns of the stakeholders, and using those concerns to evaluate potential solutions to the issues raised.

Mr. Olson stated that future stakeholders' meetings would be held on the first and third Friday of each month, with the goal of developing proposed legislation for AMWUA Board approval during the summer of 2008 and filing legislation in the fall for the 2009 legislative session.

Councilmember Mattox stated that as one of the members in attendance at the meeting, it was a very interesting meeting with an extremely diverse group. He stated that it became evident that the stakeholder process is crucial in order for AMWUA to move legislation forward. He added that there are many groups with a strong opinion of AMWUA's efforts in this process and AMWUA will need to work closely with these groups in order to get their cooperation. He stated that, ultimately, those in attendance understood that AMWUA is concerned about the best interests of the AMWUA members.

Vice Mayor Wolf and Mayor Barrett stated that they would also be participating in the stakeholder process.

Mr. Olson stated that the agendas for future stakeholders' meetings, along with documentation from the previous meetings, would be distributed to the AMWUA Board. Mr. Olson noted that the next stakeholders' meeting would be held on January 4, 2008 at 9:30 a.m. at the AMWUA offices.

6. AMWUA LEGISLATIVE FORUM

Mr. Olson stated that the AMWUA Legislative Forum was held on November 29, 2007, with eight legislators in attendance. He stated that the feedback from the Forum has been very positive. He added that follow-up meetings have been held with some legislators to address their questions.

Mr. Olson stated that the Forum provided an opening for future discussions with the legislators, as well as some awareness of AMWUA's identity and the importance of working with AMWUA. He stated that this meeting also opened the door for future meetings on specific issues as needed. Mr. Olson suggested holding a wrap-up meeting with the legislators at the end of the legislative session and also holding a subsequent meeting next year prior to the start of the session.

Several of the Board members commented that they had received very positive feedback about the Forum from some legislators. Mayor Manross stated that the meeting was quite productive and provided a worthwhile discussion. Mayor Barrett stated that constant

contact with the legislators is as important as the initial contact. Vice Mayor Wolf noted that he would have preferred to see a stronger urban focus and that educating the legislators through this process is something AMWUA could focus on being that it is carrying a strong urban message.

Mayor Berman stated that he agreed with the Board members' comments. He stated that it is important to reach out to the legislators and let them know that AMWUA is a good resource for them. He added that he hopes to continue future meetings with the legislators.

Councilmember Mattox stated that at one point a discussion was held by the AMWUA Board on holding a Water 101 type of program. He asked if future meetings with the legislators would be held in lieu of the Water 101 program. He stated that if the goal is for AMWUA to become established as the pre-eminent water organization, it would not hurt to discuss the whole issue of water and how it affects Arizona, which has an impact on the AMWUA members.

Mayor Barrett stated that there are several organizations that will be conducting a similar type of water program and that AMWUA might want to consider pairing up with an organization that already has a preset program.

Mr. Olson stated that AMWUA is working on producing general issue briefings and on developing a series of summary documents on issues from the AMWUA members' perspective.

There was a discussion on a Water 101 program. Mayor Berman stated that a Water 101 program should cover the fundamental basics. He asked if it would be possible for the various organizations to present their information in a one-day program. He stated that the legislators are entitled to a pure, straight definition of water issues that are not influence-driven. Vice Mayor Wolf stated that the Arizona Water Pollution Control Association (AWPCA) may be the entity that could pull all the various organizations together for a Water 101 program. He stated that there may be an opportunity for AMWUA to work with the AWPCA to schedule a workshop.

Mr. Olson commented that in the mid-1990's, the Arizona Department of Water Resources (ADWR), working with other entities, attempted to pull together an introductory package for the freshmen legislators and it became clear that unless there was a potential bill number attached in some way, it was difficult to get a legislator's attention. Mr. Olson stated that ADWR defaulted to a "leave-behind" piece with the legislators as a way to make them aware of potential future issues.

Mayor Manross stated that AMWUA could work with other entities; however, it must be made clear that legislation would be proposed by AMWUA in the 2009 legislative session.

Mayor Scruggs stated that it could be difficult to get legislators to attend a Water 101 workshop; there has to be an activity that has a broader appeal of interest for the

legislators. She suggested that the Board members think about a creative way to get the legislators interested in a Water 101 workshop. Mayor Scruggs stated that her impression from the Legislative Forum, as well as comments she received from some legislators, was that the Forum was much more rewarding than originally anticipated. She stated that this is a very important subject and making the right choice for a future meeting will be critical to AMWUA's future successes.

Councilmember Holland stated that perhaps a white paper would be beneficial to the legislators and this may be something to consider as well.

It was suggested that the AMWUA Board take some time to consider possibly holding a Water 101 workshop, but to ensure that the issue does not go away altogether.

7. UPCOMING 2008 LEGISLATIVE ISSUES

Mr. Olson stated that Ms. Hill would be reporting on the upcoming 2008 legislative issues.

Ms. Hill stated that there are a number of issues which have surfaced as a result of discussions held by various water interest groups. Ms. Hill provided a brief summary on the possible water-related legislative proposals in the 2008 legislative session. These proposals included: Surface Water Right Transfer, Technical Changes to the Exempt Well Statute, Santa Cruz Active Management Area (SCAMA), Mohave County Water Authority Colorado River Allocation, Lot Splits, the City of Williams' drilling of two municipal wells across basin boundaries, and Well Drillers Continuing Education Program. Ms. Hill also reported that a technical corrections bill, SB1029, has recently been dropped. She stated that AMWUA is confirming that this is a technical corrections bill only and not a vehicle which may or may not have water-related legislation.

8. COLORADO RIVER SHORTAGE SHARING EIS AND GUIDELINES

Mr. Olson stated that Secretary Kempthorne signed the agreement for the Draft Interim Guidelines for Operation of Lake Powell and Lake Mead on December 14, 2007. Mr. Olson stated that the Draft Guidelines are consistent with the proposals submitted by Arizona. He noted that this is an interim agreement which will last until the year 2026.

Mr. Olson noted that the AMWUA staff would continue to follow this as it goes into the implementation phase.

9. UPGRADE OF AMWUA RECORDING SYSTEM FROM ANALOGUE TO DIGITAL

Mr. Olson reported that the current analogue recording system has served AMWUA well over the past sixteen years; however, it has become more difficult to find replacement parts for the system. Mr. Olson stated that the AMWUA staff has solicited proposals from JCG Technologies and Clear Media Concepts to upgrade the recording system from analogue to digital.

Vice Mayor Walters stated that it was her understanding that a list of priorities for expenditures would be presented to the AMWUA Board. She stated that she does not oppose this expenditure; however, her comment is a reminder that the Board would still like to see a list of priorities.

Upon a motion by Councilmember Mattox and a second by Mayor Manross, the AMWUA Board of Directors unanimously voted to contract with JCG Technologies and Clear Media Concepts to upgrade the AMWUA recording system to a digital recording system in an amount not to exceed \$11,000.

10. AMWUA ANNUAL AUDIT FOR THE YEAR ENDED JUNE 30, 2007

Mr. Olson referred to Mr. Don Sehorn for a report on this item.

Mr. Sehorn reported that the AMWUA Annual Financial Audit for the fiscal year ended June 30, 2007 is an unqualified audit report issued by the independent accounting firm of Clifton Gunderson. He added that an audit management letter was not issued with the report. Mr. Sehorn stated that the AMWUA Management Board recommended acceptance of the audit report at their December meeting.

Upon a motion by Councilmember Mattox and a second by Mayor Barrett, the AMWUA Annual Audit for the year ended June 30, 2007 was unanimously approved by the AMWUA Board of Directors.

11. EXECUTIVE DIRECTOR'S REPORT

Mr. Olson reported that the Salt River System is currently at 58% of normal capacity, which is up 2% from last week, but still below the 61% from last year. He stated that the Colorado River System is currently at 53% compared to 57% last year.

Mr. Olson reported that due to the high cost of delivery fees, the AMWUA Board packet information would now be available on the AMWUA Web site for review, downloading, and printing.

Councilmember Mattox raised the question of whether there was still a need for monthly AMWUA Board meetings. He stated that part of the reason for holding monthly meetings was to establish and review the AMWUA members' positions and to move forward with a legislative agenda. He noted that some of the Board members would be participating in the stakeholder process twice a month as well as the monthly Board meeting. He stated that he would go along with the Board's decision; however, he wished to pose the question to the Board for discussion.

Mayor Manross asked the AMWUA staff if they felt going to meetings every other month would provide enough sharing of information for the Board. She asked whether the Board would be able to continue to move forward. Mr. Olson stated that as the AMWUA staff goes through the legislative process, they want to make sure they are following the guidance of the Board. He stated that one way of doing this is through the

legislative reporting and discussion at the meetings. Mr. Olson added that there are a number of issues coming up.

It was suggested to continue holding monthly Board meetings during the legislative session and revisit this issue once the legislative session is over. Mr. Olson stated that if it appears there could be a light agenda or if a quorum is not present, the meeting for that particular month would be cancelled.

12. ADJOURNMENT

With no further items to discuss, the AMWUA Board of Directors' meeting adjourned at 12:20 p.m.

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