

MINUTES OF THE
ARIZONA MUNICIPAL WATER USERS ASSOCIATION
MANAGEMENT BOARD
MEETING
March 12, 2008

MEMBERS PRESENT:

George Pettit, Chairman, Gilbert
Stephen Bontrager for Terry Ellis, Peoria
Frank Fairbanks, Phoenix
Roger Klingler, Scottsdale
Doug Kukino for Ed Beasley, Glendale
Jeff Kulaga, Tempe
Charlie McClendon, Avondale
Kathryn Sorensen for Chris Brady, Mesa

MEMBERS NOT PRESENT:

Brian Dalke, Goodyear
Pat McDermott, Chandler

OTHERS PRESENT:

Marilee Avina, AMWUA	Dorothy O'Brien, Peoria
Roger Bailey, Glendale	Chris Ochs, Glendale
Charlotte Benson, Tempe	Steve Olson, AMWUA
Alice Brawley-Chesworth, Phoenix	Carlos Padilla, Phoenix
Lawrence Brotman, Glendale	Tammy Perkins, Phoenix
Jo Cook, AMWUA	Ryan Peters, Glendale
Patrick Cunningham, ADEQ	Diana Piña, AMWUA
Steve Dalton, Tempe	Kathy Rall, Gilbert
Kathy Ferris, AMWUA	Stephen Rot, Glendale
Pat Hill, AMWUA	Karen Smith, ADWR
Eric Kamienski, Tempe	Robin Stinnett, Avondale
Paul Kinshella, Phoenix	Rebecca Velarde, Phoenix
Colette Moore, Mesa	Carol Ward-Morris, AMWUA
Lisa Nevitt, Phoenix	Thalia Williams, AMWUA

1. CALL TO ORDER

Mr. Pettit called the meeting to order at 10:05 a.m.

2. APPROVAL OF THE MINUTES FROM THE FEBRUARY 13, 2008 MEETING

Upon a motion by Mr. Fairbanks and a second by Mr. Klingler, the minutes of the AMWUA Management Board meeting for February 13, 2008, were unanimously approved.

3. SET NEXT MEETING DATE

The next meeting date was scheduled for Wednesday, April 9, 2008, at 10:00 a.m. at the AMWUA office.

Mr. Olson requested that, before proceeding with the meeting, the AMWUA Management Board (Board) change the order of the agenda by moving agenda item #6 to the first item on the agenda; subsequently moving all other agenda items down. Mr. Pettit said that if there were no objections, the Board would start with item #6, "Governor's Growth Cabinet Report – The Arizona Smart Growth Scorecard." There were no objections.

4. GOVERNOR'S GROWTH CABINET REPORT – "THE ARIZONA SMART GROWTH SCORECARD"

Karen Smith, Deputy Director of the Arizona Department of Water Resources (ADWR), and Patrick Cunningham, Deputy Director of the Arizona Department of Environmental Quality (ADEQ), presented a slide presentation to the Board. The presentation highlighted the Governor's "Smart Growth Scorecard" and its proposed implementation for Arizona. The presentation also covered what each municipality could expect from using the scorecard.

The beginning of the presentation covered background on the scorecard's development, other states using it, what the Scorecard is and the guiding principles behind it. Further into the presentation, several Board members asked questions requesting clarification on several aspects of the scorecard.

Mr. Kulaga asked if there were requirements when utilizing discretionary funds a municipality could obtain by scoring well on the Scorecard, to which Mr. Cunningham said the grant requirements would remain the same.

Mr. Fairbanks asked if there was more than one question relating to water, to which Ms. Smith said, at the current time, there was only one question. She noted that this was because the Growth Cabinet was attempting to balance every area of the scorecard and keep it to a fifty or sixty question limit.

Mr. Olson asked if a question could be isolated to bring out its importance, to which Ms. Smith said the Growth Cabinet was considering a tiered approach, but had no real answer for that at this time.

Ms. Sorensen asked how those in rural Arizona would answer the question relating to an adequate water supply when they were receiving their water from private water providers. Ms. Smith said those in rural Arizona would have to go to the water providers and obtain the water adequacy certificates in order to fill out the scorecard properly.

Mr. Olson asked if the Growth Cabinet was being guided by a vision and if it was going to be a part of the Governor's plan for the future. Ms. Smith said the Governor's Growth Cabinet was most concerned about four broad divisions, which included: 1) Transportation, 2) Visioning for the Future, 3) The Scorecard, and 4) State Trust Land Reform and said the Governor did see it moving forward throughout her second term.

As there were no more questions, Ms. Smith and Mr. Cunningham concluded their comments and Mr. Olson said they would be returning to show the presentation to the AMWUA Board of Directors on March 20, 2008.

5. WATER-RELATED LEGISLATION IN THE 2008 LEGISLATIVE SESSION

Ms. Hill updated the Board on the progress of several bills currently in the 2008 Legislature. She highlighted HB 2772 Groundwater Transfers; Coconino Plateau and noted that this bill relates to the City of Williams' transferring water across basin boundaries, which is prohibited by law, except in certain, very specific instances. Ms. Hill said staff recommends monitoring the bill as it moves through the process and working with other interested stakeholders to assure the limitations placed on Coconino Plateau water transfers are strictly enforced.

Ms. Hill said SB 1044 Haulage Roads; Technical Correction (Strike-everything – Water; Recharge Permits) is in the Senate Natural Resources and Rural Affairs Committee where it was amended with a strike-everything amendment. The amendment authorizes the Director of the Arizona Department of Water Resources (ADWR) to issue a temporary *cease-and-desist* order and to suspend or revoke a permit if the Director finds the hydrology report for the underground water storage facility or groundwater savings facility to be "flawed or scientifically inaccurate." Ms. Hill said staff recommends AMWUA oppose the bill because of its detrimental impact on recharge activities and infrastructure.

As to SB 1391 CAP Revenue Bonds, Ms. Hill said this bill would not be moving forward this session. She noted that staff recommends AMWUA continue to participate in the Central Arizona Groundwater Replenishment District (CAGR) Funding Stakeholders' Process to develop a means by which to assure that CAGR has the funding available to meet its current and future replenishment obligations.

Ms. Hill reported on SB 1439 Water; General Industrial Use Permits. She said it was held in the Senate Natural Resources and Rural Affairs Committee on February 27, 2008, and will not be moving forward this session, but if it is brought forth again, she said staff recommends AMWUA oppose the bill, as introduced, and seek an amendment to exclude Safe-Yield Active Management Areas (AMAs).

6. UPDATE ON SUSTAINABILITY POLICIES STAKEHOLDERS PROCESS

Mr. Olson reported on the progress of the Stakeholder meetings and said the Stakeholders continue to meet every first and third Friday of the month with their most recent meeting centering on CAGR enrollment. Due to the extensive discussions, the Stakeholders decided a smaller group should look at certain enrollment issues and then write a white paper to describe ADWR's oversight of the plan of operation and any recommendations for statutory or administrative changes.

Mr. Olson said the next step in the Stakeholder Process would be to look at recharge and replenishment to ensure water being put back into the aquifer would be there in the future. Ms. Ferris said, with regard to water being there in the future, the ADWR modelers (those that put together scenarios for the future) will be presenting at the next Stakeholders' meeting.

Mr. Kukino asked if either Mr. Olson or Ms. Ferris thought the Stakeholder Process was on track to draft legislation. Ms. Ferris said she believed they were on target and within the timeframes set out in the beginning of the process. She noted that it was vitally important to understand thoroughly all of the ins and outs of the issues, to which Mr. Olson added that, throughout the process, the group continues to come back to the main issues of Safe-Yield, recharge and replenishment. Most of the issues appear, at this time, to be able to be addressed through technical changes, rather than sweeping and radical changes.

After additional discussion with Mr. McClendon commenting on the positive aspect of educating elected officials and Mr. Fairbanks voicing his concern about judging the process on attendance, Ms. Ferris reminded the AMWUA Management Board that the Stakeholder Process was put in motion because of a directive from the AMWUA Board of Directors. She again noted that the Stakeholder Process was on track and within the timeframes set forth by the Board of Directors.

7. EXECUTIVE DIRECTOR'S REPORT

Mr. Olson reported that Arizona State University (ASU) was beginning a new certification program, which would allow those interested to obtain a certified public manager designation with an emphasis on water management.

Mr. Olson updated the Board on the upcoming joint meeting between the AMWUA Board of Directors and the CAP Board of Directors and said it is tentatively scheduled to be a lunch meeting on May 9, 2008, at the University Club. He said it would be similar to the Legislative Forum the Board of Directors held in November of 2007.

Mr. Olson reminded the Board that discussion regarding the AMWUA FY 2008/09 Budget would continue with final budget adoption in May.

Mr. Olson reported that the Salt River and Verde River reservoir system was at 93% its capacity and the Colorado River system at 52% its capacity. He then reported that the

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snow pack in the mountains is 25% above average. He said full delivery of Colorado River water was expected for 2008, which included all three states and the obligation to Mexico.

8. ADJOURNMENT

With no further items of business to discuss, the AMWUA Management Board adjourned its meeting at 11:30 a.m.