

MINUTES OF THE
ARIZONA MUNICIPAL WATER USERS ASSOCIATION
BOARD OF DIRECTORS
MEETING
May 22, 2008

MEMBERS PRESENT:

Vice Mayor Hut Hutson, Vice-President, Tempe
Mayor Bob Barrett, Peoria
Councilmember Trinity Donovan, Chandler
Vice Mayor Wayne Ecton for Mayor Mary Manross, Scottsdale
Mayor Keno Hawker, Mesa
Councilmember Claude Mattox, Phoenix
Mayor Elaine Scruggs, Glendale
Vice Mayor Steve Urie for Mayor Steven Berman, Gilbert
Councilmember Charles Wolf, Avondale

ASSOCIATE MEMBER PRESENT:

Councilmember Brenda Holland for Mayor James Cavanaugh, Goodyear

OTHERS:

Tom Buschatzke, Phoenix	Steven Methvin, Glendale
Jo Cook, AMWUA	Beth Miller, Scottsdale
Patricia DiRoss, SRP	Cliff Neal, CAP
Kathleen Ferris, Attorney	Steve Olson, AMWUA
Bruce Hallin, SRP	Ryan Peters, Glendale
Pat Hill, AMWUA	Diana Piña, AMWUA
Dave Iwanski, Goodyear	Stephanie Prybyl, Gilbert
Doug Kukino, Glendale	Robin Stinnett, Avondale
	Doug Toy, Chandler

1. CALL TO ORDER

Vice Mayor Hutson called the meeting to order at 11:02 a.m.

2. EXECUTIVE SESSION

Pursuant to A.R.S. 38-431.03.A.1, the AMWUA Board of Directors convened into Executive Session at 11:02 a.m. The Executive Session adjourned at 11:45 a.m. The regular AMWUA Board of Directors' meeting reconvened at 11:46 a.m.

3. APPROVAL OF THE MINUTES FROM THE APRIL 17, 2008 MEETING

Upon a motion by Councilmember Wolf and a second by Mayor Barrett, the minutes of the April 17, 2008, meeting were unanimously approved.

4. SET NEXT MEETING DATE

The next meeting date of the AMWUA Board of Directors was scheduled for Thursday, July 17, 2008, at 11:00 a.m. at the offices of the Maricopa Association of Governments.

5. AMWUA FISCAL YEAR 2008-09 FINAL DRAFT BUDGET

Mr. Olson reported that the AMWUA Fiscal Year 2008-09 Final Draft Budget was presented for review and approval. Mr. Olson provided a brief summary of the AMWUA budget. He noted that the AMWUA Management Board recommended approval of the AMWUA budget at their May 14 meeting.

Upon a motion by Councilmember Wolf and a second by Mayor Barrett, the AMWUA Board of Directors voted to unanimously approve the AMWUA FY 2008-09 Budget.

6. WATER-RELATED LEGISLATION IN THE 2008 LEGISLATIVE SESSION

Ms. Hill reported that all water-related legislative bills have moved up to the Governor's Office.

Ms. Hill provided an update on HB 2772, the Coconino Plateau Water Transfer legislation. She stated that this legislation received an additional amendment on the floor of the Senate by Senator Chuck Gray further limiting the ability to make these transfers if there was erroneous information provided by the Arizona Department of Water Resources (ADWR).

Ms. Hill stated that the Legislature continues to work on the budget and noted that once the budget is finalized, more information would be available on the ADWR budget. Ms. Hill added that the final AMWUA Legislative Summary would be made available pending this information.

7. STATUS OF SUSTAINABILITY POLICIES STAKEHOLDERS PROCESS

Mr. Olson stated that one of AMWUA's priorities has been to work on the Sustainability Policies Stakeholders Process. He stated that Ms. Ferris would provide a summary on the process.

Ms. Ferris reported that the process has made good progress, primarily due to the support of the self-selected "small group" of Stakeholders, which have been meeting to develop a white paper on CAGR enrollment. Ms. Ferris stated that the small group consists of AMWUA staff, some representatives from the AMWUA members, ADWR, CAGR, the City of Tucson, and the development community. Ms. Ferris noted that a draft of the white paper has been completed and was presented to the Stakeholders at the last meeting. Ms. Ferris added that the small group has developed proposed legislative recommendations that will be brought to the entire Stakeholder group. She stated that these recommendations would tighten-up the CAGR enrollment process, tighten-up ADWR's oversight over the Plan of Operation, clarify how ADWR would interpret the key provisions in the Plan, as well as how ADWR would review the Plan to ensure that CAGR is not exceeding its capabilities. Ms. Ferris stated that she is very optimistic that this would result in significant legislative changes, which will definitely tighten-up the CAGR process.

Ms. Ferris reported that there have also been discussions on the location of replenishment and the impacts of pumping on stored water. She stated that a meaningful consensus has not been reached within AMWUA or in the larger Stakeholder group on requiring replenishment to occur where the water is pumped; however, alternatives are being discussed to mitigate the impacts.

Ms. Ferris stated that, at this point, the plan is to wrap-up the recommendation process by mid-July.

Councilmember Wolf stated that, after having been involved in the process, he can foresee two types of legislation coming out of the process: 1) controlling legislation, such as defining the control boundaries of enrollment for CAGR, ADWR, and others; and 2) enabling legislation, such as providing CAGR the ability to direct deliver or allowing CAGR the ability to control its own fate. Councilmember Wolf stated that while the process has been very effective, he cautioned that there are still some issues to address between July and the next legislative session.

Mr. Olson stated that one of the real benefits of the process has been that many members of the water community have benefited from being a part of the process. He added that another benefit has been the inter-relationship of the issues in this process with other issues, such as the Central Arizona Project ADD Water process, which is related to some of the sustainability issues. Mr. Olson added that there is an effort at the CAWCD to address revenue bonding for the CAGR, which will also be a part of the intermingling of these issues.

Mr. Olson stated that progress has been made in the Sustainability Stakeholders Process. He agreed with Councilmember Wolf's comment that there are issues which need to be addressed between now and the next legislative session.

8. JOINT AMWUA/CAWCD BOARD MEETING

Mr. Olson reported that on May 9, 2008, the AMWUA Board of Directors met with the CAWCD Board of Directors. He stated that the outcome of the meeting was positive and there was a realization by both Boards for the need to work closely together in the future, as both organizations move forward.

Councilmember Mattox stated that the meeting was valuable and successful. He noted that, many times, misunderstandings or misconceptions are a result of a lack of communication; this meeting provided a forum for open communication between the two Boards. He added that there was some interest in holding this type of meeting on a regular basis, at least once per year or on an as-needed basis. Councilmember Mattox stated that, as AMWUA moves forward with potential legislation, it might have a direct impact on the CAWCD. He emphasized it is important to hold these discussions. He added that the meeting with the CAWCD Board, as well as the sustainability process, has been educational.

9. AUTHORIZING THE PUBLICATION OF THE WATER MANAGEMENT AND THE WHAT IS AMWUA? BROCHURES

Mr. Olson reported that the current *What is AMWUA?* brochure has been both helpful and successful. He stated that the AMWUA staff would like to print an updated version of this brochure. Additionally, Mr. Olson stated that the AMWUA staff would like to put together a brochure describing the AMWUA members' efforts in water management. Mr. Olson stated that the cost to print both brochures would not exceed \$25,000 and the funding would come from the City of Avondale's one-time AMWUA membership fee. He noted that the AMWUA Management Board recommended approval of up to \$25,000 for production and printing of the two brochures.

Upon a motion by Councilmember Wolf and a second by Mayor Barrett, the AMWUA Board of Directors voted unanimously to approve up to \$25,000 for production and printing for the *Water Management* brochure and the *What is AMWUA?* brochure.

10. LANDSCAPE PLANTS FOR THE ARIZONA DESERT BOOKLET PRINTING

Mr. Olson reported that the *Landscape Plants for the Arizona Desert* booklet is a full-color, 48-page publication developed with the combined resources and expertise of the AMWUA Conservation Committee. He stated that the booklet is currently on a three-year printing cycle and is due for a reprint. Mr. Olson noted that the cost to reprint approximately 186,000 copies of the booklet is covered through the Conservation portion of the AMWUA budget and through non-AMWUA purchases of the booklet. He added

that the reprint would be contracted through Courier Graphics and the cost of the reprint would not exceed \$84,000 of AMWUA funds. Mr. Olson noted that the AMWUA Management Board recommended approval of the reprint of the *Landscape Plants for the Arizona Desert* booklet.

Mayor Hawker asked if there was any empirical data showing reduced water use or other benefits to the municipalities and their water supplies by people using the booklet. Mr. Olson stated that the largest category of water use for the public is outdoor water use. He stated that this brochure is a central educational point to the public explaining how to landscape their lawns and conserve water. Mr. Olson stated that the AMWUA member cities' conservation coordinators are educating the public by distributing these brochures throughout the community.

Upon a motion by Mayor Barrett and a second by Councilmember Wolf, the AMWUA Board of Directors unanimously voted to enter into a contract with Courier Graphics for an amount not to exceed \$84,000 of AMWUA funds for the printing of approximately 186,000 copies of the *Landscape Plants for the Arizona Desert* booklet.

11. EXECUTIVE DIRECTOR'S REPORT

Mr. Olson reported that representatives from the Arizona State University met with the AMWUA Management Board at their May 14 meeting to present information on the Certified Public Management Program for water managers. Mr. Olson stated that the program would consist of teaching water professionals about the public management aspect of water. He stated that the program would begin in August.

Mr. Olson reported that the Central Arizona Project has initiated their ADD Water Process to address the "next bucket" issue. He stated that the first meeting was held yesterday with approximately 90-100 people in attendance.

Mr. Olson reported that the Arizona Department of Water Resources (ADWR) is meeting with designated providers on the re-designation process. Additionally, Mr. Olson reported that ADWR is working on the groundwater transfer policies. He stated that several public meetings are being held on this issue, as well as public meetings on the water adequacy rules from last year's legislation.

Mr. Olson reported that Jo Cook, the AMWUA Communications Coordinator, is in the process of updating and improving the AMWUA Web site, which will be online in June of this year.

Mr. Olson reported that the annual election of officers for AMWUA would be held at the July Board of Directors' meeting. He stated that the schedule for the rotation of officers lists Tempe as President, Scottsdale as Vice President, and Phoenix as Secretary/Treasurer. Mr. Olson noted that the Board would need to discuss when Avondale, as the new AMWUA member, would fit into the rotation.

Mr. Olson reported on the drought situation. He stated that the Salt River reservoir system was at 97% capacity and the Colorado River system was at 53% capacity. He noted that there was above- average runoff for the year.

12. ADJOURNMENT

The AMWUA Board of Directors' meeting was adjourned at 12:16 p.m.