

*MINUTES OF THE  
ARIZONA MUNICIPAL WATER USERS ASSOCIATION  
BOARD OF DIRECTORS' MEETING  
OCTOBER 16, 2008*

MEMBERS PRESENT

Mayor Hugh Hallman, President, Tempe  
Mayor Bob Barrett, Peoria  
Mayor Steven Berman, Gilbert  
Mayor Mary Manross, Scottsdale  
Councilmember Claude Mattox, Phoenix  
Mayor Elaine Scruggs, Glendale

ASSOCIATE MEMBER PRESENT

Councilmember Brenda Holland, Goodyear

MEMBERS EXCUSED – NOT PRESENT

Councilmember Trinity Donovan, Chandler  
Mayor Scott Smith, Mesa  
Councilmember Charles Wolf, Avondale

OTHERS PRESENT

Marilee Avina, AMWUA	Jenna Goad, Glendale	Steve Olson, AMWUA
Tim Bray, CAWCD	Pat Hill, AMWUA	Diana Piña, AMWUA
Tom Buschatzke, Phoenix	Dave Iwanski, Goodyear	Stephen Rot, Glendale
Jo Cook, AMWUA	Eric Kamienski, Tempe	Parrish Spisz, Goodyear
Mike Crusa, Tempe	Doug Kukino, Glendale	Robin Stinnett, Avondale
Val Danos, AMWUA	Brad Lundahl, Scottsdale	Suzanne Ticknor, CAWCD
Alan Dulaney, Peoria	Beth Miller, Scottsdale	Doug Toy, Chandler
Kathleen Ferris, Attorney	Cliff Neal, CAGR	Carol Ward-Morris, AMWUA

1. CALL TO ORDER

Mayor Hallman called the meeting to order at 11:23 a.m.

2. EXECUTIVE SESSION

Pursuant to A.R.S. 38-431.03.A.1, the AMWUA Board of Directors convened an Executive Session at 11:24 a.m. The Executive Session of the AMWUA Board of Directors adjourned at 12:08 p.m.

The regular AMWUA Board of Directors' meeting reconvened at 12:10 p.m.

3. APPROVAL OF MINUTES FROM THE SEPTEMBER 18, 2008 MEETING

Upon a motion by Councilmember Mattox and second by Mayor Barrett, the minutes of the September 18, 2008, AMWUA Board of Directors' meeting were unanimously approved.

4. SET NEXT MEETING DATE

The next meeting of the AMWUA Board of Directors was scheduled for Thursday, November 20, 2008, at 11:00 a.m. at the Maricopa Association of Governments' building, Cholla room.

(*NOTE:* Subsequent to discussion in this meeting, the location of the November 20, 2008, AMWUA Board of Directors' meeting location was changed to the AMWUA Office Boardroom.)

5. STATUS OF THE 2008 LEGISLATIVE FORUM

Mr. Olson reported that consensus among the AMWUA Management Board members and the Intergovernmental staff was to postpone the Legislative Forum until a later time, possibly in January. Postponing the Forum would provide the newly elected legislators opportunity to "get settled in" and determine which committees they would be serving on during the 2009 Legislative Session.

Councilmember Mattox said he would like to leave the option of the two-meeting concept on the table, as legislators well versed in water issues may not want to sit through a Water 101 presentation. He said meeting one-on-one with legislators in leadership positions to discuss specific issues was very effective in the past and recommended pursuing that as an option.

Returning to the question of a December meeting, Mr. Olson said December is traditionally the month committee assignments are made at the Legislature. He emphasized that until those are complete, AMWUA members would not know which legislators to go to regarding water issues. Mr. Olson added that issues related to the municipalities might not be fully known until December. He said other opportunities to meet with legislators and present AMWUA's concerns would happen.

Mayor Hallman, speaking for the Board, directed Mr. Olson to assess the situation at the Legislature in the upcoming weeks and report to the Board at its November 20 meeting.

## 6. SUSTAINABILITY POLICIES STAKEHOLDERS' PROCESS PROGRESS REPORT

Mr. Olson reported that the Stakeholders, the AMWUA Management Board, and the Central Arizona Water Conservation District (CAWCD) staff had all reviewed the current draft of the sustainability legislation. Each group agreed that the draft legislation should move to the next step in the process by discussing it with state legislators.

Mr. Olson noted that a request by the CAWCD Board was for their group to be the lead organization when pursuing water legislation in 2009. Mr. Olson expressed concern about their request and said at least three things needed to be addressed before agreeing to CAWCD's request.

Mr. Olson said the first concern revolved around the possibility of AMWUA's sustainability legislation being held hostage at the Legislature if lawmakers disagreed with CAWCD's bonding authority legislation for the Central Arizona Groundwater Replenishment District (CAGRDR). A second concern Mr. Olson saw in allowing CAWCD to be the lead organization for the legislation was in staying true to the Stakeholders and keeping them involved in advocating the sustainability legislation, should the CAGRDR bonding authority be sidelined. The final concern--that the Sustainability Stakeholder Process was initiated by AMWUA and no matter who the lead organization is, a member of the Legislature will have to sponsor and then introduce the legislation in January.

Mayor Hallman asked the Board for their input. Councilmember Mattox said he would be willing to support moving the draft legislation forward, as long as it was not tied to the bonding legislation and as long as it had the support of the Stakeholders. Mayor Barrett said he, too, would support the draft legislation as long as the bonding authority legislation and the sustainability legislation were not linked together and one could not hold the other back. Mayor Hallman suggested moving forward together with CAWCD until such a time as the two organizations could not move forward together, as was previously discussed.

Councilmember Mattox motioned that the AMWUA draft legislation proceed to the Legislature on the condition that it was not inseparably tied to the CAWCD legislation. Mayor Barrett seconded the motion. The vote was unanimous.

## 7. CAGRDR REVENUE BONDING PROPOSED LEGISLATION

Mr. Olson began his report by saying CAWCD staff have worked very hard to address AMWUA's concerns regarding the bonding authority legislation for the CAGRDR. He noted that their efforts have covered the separation between CAWCD and CAGRDR funds, the loaning of funds between CAWCD and CAGRDR, capping membership fees, and whether this is the best time to pursue bonding legislation, this due to fluctuations in the economy. Mr. Olson turned the floor over to Ms. Ferris to cover, in depth, CAWCD's responses to AMWUA's concerns.

Ms. Ferris said the issues raised by the AMWUA Board members have been addressed and are summarized in the Summary of CAWCD Responses to AMWUA Concerns she distributed to the Board members during their meeting.

After summarizing the information in the document, Ms. Ferris turned the Board members' attention to the policy questions and asked the Board if, after seeing and hearing their concerns addressed by CAWCD, they had any further questions or comments. Several Board members questioned if the CAWCD Board had seen the aforementioned changes and if they agreed to them. Mr. Bray, speaking for the CAWCD Board, said they had not. In light of that, Councilmember Mattox requested the two Boards review the proposed changes and determine, together, what was acceptable. He added that he thought the draft legislation was certainly moving in the right direction.

After additional discussion regarding a municipality's reason for joining CAGR, Mayor Barrett said he believed there is an overall benefit for everyone when CAGR is allowed to obtain water now, for the future. He reminded the group that water is relatively inexpensive today, but may be very expensive in the future; therefore, paying to have CAGR obtain water now is a prudent move for all involved.

Mayor Hallman reminded the group that a decision did not have to be made immediately and requested that solutions continue to be sought and brought back to the next Board of Directors' meeting in November.

No motion or vote was called for.

## 8. JOINT CAWCD AND AMWUA BOARD MEETING

Mr. Olson began his report by saying that, due to scheduling conflicts for members of both Boards, it may be necessary to reschedule the proposed Joint Board meeting currently scheduled for November 14, 2008. He stated that the agenda for the meeting, when it does occur, will cover the sustainability process, the CAGR bonding authority legislation, and the ADD Water process, which is addressing how future water supplies should be paid for and then shared.

Mayor Hallman asked the Board if a meeting in January would work. Mr. Olson said the meeting between the two boards should occur sooner than later, due to the CAGR bonding authority legislation and the AMWUA sustainability legislation headed to the Legislature in January.

Councilmember Holland suggested changing the meeting date for the joint meeting to the first week in December, which would put it between the Thanksgiving Holiday and the winter holidays.

The Board unanimously agreed to postpone the joint meeting and directed Mr. Olson to determine if a meeting in early December would meet with better attendance by both Boards.

9. AMWUA 2009 RESOLUTIONS AND ISSUE PAPERS

Mr. Olson directed the Board members' attention to the Resolutions and Issue Papers in their packets. He noted that each year the previous year's Resolutions and Issue Papers are presented as a review of AMWUA's position on the various water issues. He said the AMWUA Management Board, at their October 8 meeting, reviewed the previous year's Resolutions and Issue Papers and requested changing the questions in the fourth paragraph of Resolution "A" to affirmative statements.

Mayor Hallman directed Mr. Olson to have AMWUA staff re-draft the Resolutions and Issue Papers, including the requested changes, and present them at the November 20 Board meeting.

10. EXECUTIVE DIRECTOR'S REPORT

Mr. Olson reported that CAWCD's ADD Water Process was moving forward with a large group of interested Stakeholders. He noted that the meetings for ADD Water were quite labor intensive. He said the next meeting would address the criteria for funding new water sources and their subsequent allocation. Also of concern to CAWCD are the acquisition, storage, and later sales of excess CAP water by outside parties or water brokers.

Mr. Olson reported on the AMWUA Web site, commenting that the traffic the site was receiving was not only from people out of state, but out of country, as well. He said the Web site continues to be a very effective tool for outreach and education.

Mr. Olson reported that AMWUA's public visibility was also on the rise as AMWUA staff attends expos, trade shows, and landscaping events.

Mr. Olson updated the Board on his speaking engagements and said the next opportunity he has to speak will be at the CLE conference on October 31, 2008, where he will be participating in a panel discussion on Growth and Water Supply in the AMAs.

11. ADJOURNMENT

With no further items of business to consider, Mayor Barrett moved, and Councilmember Mattox seconded, for the AMWUA Board of Directors to adjourn their meeting. The Board voted unanimously to adjourn the meeting.

The meeting adjourned at 12:54 p.m.