

*MINUTES OF THE
ARIZONA MUNICIPAL WATER USERS ASSOCIATION
BOARD OF DIRECTORS' MEETING
MARCH 19, 2009*

MEMBERS PRESENT

Mayor Hugh Hallman, President, Tempe
Mayor Steven Berman, Gilbert
Councilmember Trinity Donovan, Chandler
Mayor Jim Lane, Scottsdale
Councilmember Claude Mattox, Phoenix
Mayor Scott Smith, Mesa

ASSOCIATE MEMBER PRESENT

Councilmember Brenda Holland, Goodyear

MEMBERS EXCUSED – NOT PRESENT

Mayor Bob Barrett, Peoria
Councilmember Jim Buster, Avondale
Mayor Elaine Scruggs, Glendale

OTHERS PRESENT

Nikki Amberg, Mesa	Colette Moore, Mesa
Marilee Avina, AMWUA	Steve Olson, AMWUA
Robin Bain, Peoria	Ryan Peters, Glendale
Rob Bohr, Glendale	Diana Piña, AMWUA
Marc Campbell, SRP	Kathy Rall, Gilbert
Jo Cook, AMWUA	Sandra Rode, Goodyear
Mike Crusa, Tempe	Stephen Rot, Glendale
Alan Dulaney, Peoria	Parrish Spisz, Goodyear
Kathy Ferris, Attorney	Robin Stinnett, Avondale
Pat Hill, AMWUA	John Sullivan, SRP
Eric Kamienski, Tempe	Doug Toy, Chandler
Doug Kukino, Glendale	Carol Ward-Morris, AMWUA
Kim MacEaehern, Rose Law Group	

1. CALL TO ORDER

Mayor Hallman called the meeting to order at 11:17 a.m.

2. APPROVAL OF THE MINUTES FROM THE FEBRUARY 19, 2009, MEETING

Upon a motion by Councilmember Mattox and second by Mayor Lane, the minutes from the February 19, 2009, AMWUA Board of Directors' meeting were approved.

3. SET NEXT MEETING DATE

The next regularly scheduled meeting of the AMWUA Board of Directors was set for Thursday, April 16, 2009, at 11:00 a.m. at the AMWUA office.

4. SALT RIVER PROJECT

Mr. Olson introduced Mr. John Sullivan of the Salt River Project (SRP) and said Mr. Sullivan was going to update the Board members on activities at SRP.

Mr. Sullivan thanked the Board for letting him address them and said his report for the Board was an update on SRP's activities as they relate to the Big Chino area, the Verde Valley, the Verde River Watershed, and then he said he would provide a short update on the White Mountain Apache Settlement and the SRP reservoir system.

Mr. Sullivan turned the Board members' attention to the maps he provided, which illustrated the Verde River Watershed and the Prescott AMA, the historically irrigated acres of the CV Ranch, the Big Chino Water Ranch, the Kieckhefer Ranch, the Wineglass Ranch, and the Del Rio Ranch, along with two diagrams depicting the flow of Big Chino Springs, as they pertain to the Verde River.

Mr. Sullivan turned the Board members' attention to SRP's involvement with the Prescott Assured Water Supply Application and its impact on the Big Chino and the Verde Valley. He said that the Prescott Active Management Area's (AMA) request to use 8,067 acre-feet of "other water" was approved November 12, 2008, by the Arizona Department of Water Resources (ADWR). SRP, along with fifty-one other parties filed an objection to the approval.

Mr. Sullivan explained the basis for SRP's complaint, stating that the head waters for the Verde River begin in the Big Chino Springs, with many springs under the stream feeding the river. As the water moves along its path it joins the Upper Verde Springs and then becomes the Verde River. What the City of Prescott proposed to do was insert a well near the center of the bowl causing a cone of depression in the stream, which would likely cause a reversal in the flow of the water, harming the river by depleting eighty to eighty-six percent of the subflow coming from the springs.

Mr. Sullivan said SRP was initially involved in talks with the City of Prescott, but were then told that the representatives of the city no longer wanted to meet and discuss the Big Chino issue, which spurred SRP to file their complaint. They were later told that ADWR declined to hear SRP's objections based on lack of residency in the Prescott AMA. Mr. Sullivan said an appeal was then filed, which was also rejected, which led SRP to assisting "resident" interests that had also filed protests.

Mr. Sullivan discussed SRP's issues in the Verde Valley, all of which were similar to the Big Chino issues, and said SRP is attempting to protect the Verde River.

Mr. Sullivan said, from his standpoint, he believed all of the litigation was going to take years to resolve. Councilmember Mattox asked Mr. Sullivan what was going to happen during those years, if it was going to take years to resolve, to which Mr. Sullivan said SRP would do all in its power to stop the projects that would deplete flows in the Verde River from being built. Mr. Sullivan said once the environmental impacts were exposed, SRP would likely have company in the legal arena due to the endangered species that make the head waters of the Verde River their home.

Mr. Sullivan reported on the SRP reservoir system. He said Roosevelt Lake was 100% full and the Salt River system, as a whole, was as close to 100% full as one would comfortably want it to be. With regard to the Verde River, Mr. Sullivan said the Verde River Watershed had an interesting winter, with a wet December, a dry January, somewhat of a wet February, and the snowmelt taking place earlier than normal. He added that not as much run-off from the mountain snowpack was expected. Mr. Sullivan said SRP did not expect to fill the Verde River-side of the system this year.

Mayor Berman asked if SRP was looking into additional storage space along the system. Mr. Sullivan said the Salt-side of the system already had quite a bit of storage. He noted that the Verde-side tended not to store as much water as it was prone to flash floods and could be filled to capacity in a week's time, if there was a large amount of rain.

In answer to Mayor Hallman's question about water being purposefully spilled from the dams, Mr. Sullivan said that what is spilled is not lost because it replenishes the groundwater tables. Mr. Sullivan cited the one million acre-feet of water SRP spilled in 2005 and stated that, of the one million acre-feet of water spilled, only 500,000 reached Painted Rock Dam, indicating that the remaining water was filtering into the aquifers.

After additional discussion regarding flood control and the reservoir's capacity, Mr. Sullivan turned the Board members' attention to the subject of healthy forests and how thinning forests can assist with healthy watersheds. Mr. Olson said that subject had been discussed at previous AMWUA Board meetings and noted that studies indicate that much could be done to improve the forests and the watersheds.

With no further questions or comments, Mr. Sullivan concluded his remarks and thanked the Board for letting him address them.

No motion or vote was called for.

5. UPDATE ON THE 2009 LEGISLATIVE ISSUES

Mr. Olson said Ms. Pat Hill was present to update the Board on the latest developments at the State Legislature.

Ms. Hill reported that SB 1288 CAGRD Revenue Bonding: Sustainability Policies was currently awaiting hearing in the Senate. Ms. Hill said the majority position of the Central Arizona Water Conservation District (CAWCD) Board is in support of the bill. Ms. Hill said supporters of the legislation will continue to meet with legislators and stress the importance of this tool for the Central Arizona Groundwater Replenishment District (CAGRD), as well as the importance of the sustainability policies.

Ms. Hill said HB 2157 Wildlife; Aquatic Invasive Species (quagga mussels) was designed to focus primarily on preventing recreational boaters and those using water-craft on the state's rivers and lakes from transporting quagga mussels into other bodies of water. Ms. Hill said the bill also has ramifications for municipal providers, which SRP, CAWCD, and municipal water providers are working to resolve. She noted that HB 2157 had been held in the House Appropriations Committee twice, due to the funding associated with the bill.

Ms. Hill said HB 2352 Aquifer Protection Permits; Natural Gas was initially a bill of concern because of the potential implications connected with disposal of the brine stream used to carve out underground caverns for natural gas storage. The concern centered on the possible impact the brine stream could have on groundwater. Ms. Hill added that after meeting with the proponents of the bill to discuss its implications, AMWUA staff and the WRAG now feel there are sufficient safeguards within the EPA and are, therefore, recommending a position of neutrality.

Ms. Hill said HB 2181, now Dust Control Practices; Technical Correction, is of concern because of the water dairy farms use for dust abatement. She noted that any decisions should be consistent with existing water conservation and management practices. Ms. Hill said HB 2275 and 2277 also have similar issues and will be monitored for possible negative impacts.

Mayor Hallman asked the Board, with regard to SB 1288, if the CAGRD bonding portion of the bill were to get hung-up, would the AMWUA Board propose the bill be split and the sustainability portion pursued?

Councilmember Mattox said he believed the Board had already taken that position.

Mayor Hallman asked if there were any additional questions or comments regarding Ms. Hill's update. As there were no questions or comments, Mayor Hallman thanked Ms. Hill for her update and diligence at the Legislature.

No motion or vote was called for.

6. STATUS REPORT ON ADD WATER, ACCESS TO EXCESS, AND RELATED CAWCD ACTIVITIES

Mr. Olson turned the floor over to Ms. Ferris for an update on the Access to Excess Water process.

Ms. Ferris said the crux of the matter for CAWCD regarding excess water was their need to set a policy regarding the allocation and marketing for excess CAP water. Ms. Ferris said in the past, when there was excess water to spare, a policy was not as necessary as it is now, and will be in the future, when the competition for the excess water will be high. With that, Ms. Ferris said AMWUA staff and the WRAG are trying to get ahead of the time when CAWCD will set their policy by agreeing on principles, uses, times, and situations, etc. pertaining to the excess water.

Ms. Ferris said the group has determined that excess water should be used to firm municipal, industrial, and Indian water supplies, should not be subsidized, unless it becomes necessary to encourage full use of the excess water or to fulfill some other public policy. The group also agreed that speculators should not be able to obtain contracts for excess water.

Ms. Ferris stressed that CAP water users must resolve excess CAP supply issues because CAWCD plans to move on setting policy in the near future. She added that, although the CAWCD Board wants to make a decision on this policy, she was puzzled because CAWCD had not yet scheduled another stakeholder meeting to vet the proposals.

Mayor Hallman asked how soon AMWUA staff and the WRAG could craft something and then present it to the AMWUA Board for a vote. Ms. Ferris said something would be ready for the AMWUA Board at April's Board meeting.

No motion or vote was called for.

7. EXECUTIVE DIRECTOR'S REPORT

Mr. Olson reported that March 12th marked AMWUA's 40th anniversary and noted that in commemoration of that milestone, mementos and cake would be available after the meeting.

Mr. Olson reported that AMWUA's budget would receive a second review at April's Board meeting. He said that review would highlight the reserve fund policy and provide and update on an assessment of this building's common area maintenance fees and resulting issues.

Mr. Olson reported that the Colorado River system was 55% its capacity, up from 52% last year at this time. Mr. Olson said the snowpack in the mountains was currently at a

“normal” level. He noted that the snows came early during the winter season with no snow recorded for the month of March.

Mr. Olson reported that the government’s stimulus package was beginning to filter down to the states. He said funds for projects relating to water would be available through the Arizona Department of Environmental Quality (ADEQ) through the Drinking Water Revolving Fund and the Safe Drinking Water Revolving Fund. Mr. Olson said it was not yet clear how the allocation of the funds would pan out.

Mr. Olson turned the Board members’ attention to the Water Day materials at each of their places and reported that Water Day at the Capitol was a success and thanked those that attended for supporting that event.

8. ADJOURNMENT

Upon a motion by Councilmember Mattox and second by Mayor Berman, the AMWUA Board of Directors’ agreed to adjourn their meeting.

The meeting adjourned at 12:23 p.m.