



Public Notice Pursuant to A.R.S. § 38-431.02

**ARIZONA MUNICIPAL WATER USERS ASSOCIATION
BOARD OF DIRECTORS**

MEETING NOTICE AND AGENDA

Thursday, September 27, 2018 – 11:00 a.m.

**Arizona Municipal Water Users Association
Board Conference Room
3003 North Central Avenue, Suite 1550
Phoenix, Arizona 85012**

A. Call to Order

B. General Business—Items for Discussion and Possible Action

1. Approval of the Minutes from the September 6, 2018 Meeting
2. Schedule Next Meeting Date: Thursday, October 25, 2018, 11:00 a.m.
3. Status of Lower Basin Drought Contingency Plan and DCP Steering Committee
4. Avondale and Phoenix Storage, Recovery & Exchange Agreement and Treatment & Delivery Agreement

C. Executive Director's Report

D. Future Agenda Items

E. Adjournment

*The order of the agenda may be altered or changed by the AMWUA Board of Directors. Members of the AMWUA Board of Directors will attend either in person or by telephone or internet conferencing.

More information about AMWUA public meetings is available in the AMWUA office, online at www.amwua.org/what-we-do/public-meetings, or by request.

Arizona Municipal Water Users Association

BOARD OF DIRECTORS

MEETING MINUTES

September 6, 2018

VOTING MEMBERS PRESENT

Mayor Jim Lane, President, Scottsdale
Councilmember Eddie Cook, Vice President, Gilbert
Mayor Cathy Carlat, Secretary-Treasurer, Peoria
Councilmember Pat Dennis, Avondale
Councilmember Lauren Kuby, Tempe, via teleconference
Councilmember René Lopez, Chandler
Councilmember Kevin Thompson, Mesa
Councilmember Bart Turner, Glendale
Mayor Thelda Williams, Phoenix

OTHERS PRESENT

Patrick J. Adams, AMWUA	Gretchen Erwin, Goodyear	John Raeder, Goodyear
Barry Aarons, The Aarons Co.	Kathy Ferris, AMWUA, via phone	Kathy Rall, Scottsdale
Anthony Alejandro, Peoria	David Iwanski, AZ Water Assoc.	Javier Setovich, Goodyear
Anthony Beckham, SRP	Lacey James, Avondale	Richard Siegel, SRP
Cindy Blackmore, Avondale	Sam Jaskolski, AMWUA	Tony Staffaroni, CAP
Jessica Blazina, Avondale	Ryan Lee, Glendale	Drew Swieczkowski, Glendale
Eric Braun, Gilbert	Jack Lunsford, Buckeye	Warren Tenney, AMWUA
Gregg Capps, Chandler	Laura Magnus, The Aarons Co.	
Alan Dulaney, Peoria	Diana Piña, AMWUA	

A. Call to Order

Mayor Lane called the meeting to order at 9:07 a.m.

B. General Business – Items for Discussion and Possible Action

1. Approval of the Minutes from the June 28, 2018 Meeting

Upon a motion by Mayor Carlat and a second by Councilmember Dennis, the AMWUA Board of Directors unanimously approved the June 28, 2018 meeting minutes.

2. Next meeting scheduled: Thursday, September 27, 2018, 11:00 a.m., in the AMWUA office

The order of the agenda was altered by the AMWUA Board of Directors.

4. Acceptance of Water Management Assistance Program Funding for the *Water—Use It Wisely* Campaign

Mr. Tenney stated that the Phoenix Active Management Area (AMA) Groundwater Users Advisory Council (GUAC) voted last month to recommend increasing the Water Management Assistant Program's (WMAAP) funding of the *Water—Use It Wisely* campaign from \$15,000 to \$50,000 for Fiscal Year 2020. He said the GUAC wants to raise the visibility of the *Water—Use It Wisely* campaign based on the on-going drought and looming shortage declaration. He added that AMWUA believes *Water—Use It Wisely* is a very effective message and could be even more effective if its visibility is increased.

Mr. Tenney reported that the Arizona Department of Water Resources (ADWR) Director accepted the GUAC's recommendation and approved the \$50,000. He described that ADWR uses an intergovernmental agreement (IGA) with AMWUA to move the funds to the *Water—Use It Wisely* campaign. Mr. Tenney said the AMWUA Management Board unanimously recommended that the AMWUA Board of Directors accept the \$50,000 in funding to support increased visibility of the *Water—Use It Wisely* campaign at its August 8th meeting.

Mayor Williams asked how the funding will be spent. Mr. Tenney explained that *Water—Use It Wisely* will use the funds to purchase social media presence, public service announcements, radio advertisements, and other communication outlets to raise the campaign's visibility.

Mayor Carlat asked if *Water—Use It Wisely* is anticipating to use the funding to address a shortage declaration. Mr. Tenney said AMWUA and the GUAC have been encouraging *Water—Use It Wisely* to become more active and visible now, so the campaign is ahead of a declaration. Mayor Lane agreed that having a visible conservation message shows that Arizona is ahead of shortage and would positively affect the way the State is perceived nationally and regionally on water.

Upon a motion by Mayor Williams and a second by Councilmember Dennis, the AMWUA Board of Directors unanimously accepted the \$50,000 in funding to support increased visibility of the *Water—Use It Wisely* campaign.

3. Status of Lower Basin Drought Contingency Plan and DCP Steering Committee

Mr. Tenney reported that ADWR and the Central Arizona Project (CAP) established a diverse 41-member Drought Contingency Plan (DCP) Steering Committee to develop broad support for DCP and to consider necessary tools and processes to create an internal

plan for Arizona to implement DCP by November. He said the DCP Steering Committee includes the cities of Goodyear, Phoenix, and Scottsdale; however, AMWUA was omitted from the Steering Committee which leaves the 111,000 acre-feet of Colorado River water that AMWUA's seven other members receive without direct representation. Mr. Tenney stated that at its August 8th meeting, the AMWUA Management Board recommended that the AMWUA Board of Directors consider sending a letter to ADWR and CAP regarding the omission of AMWUA from the DCP Steering Committee. He said a draft letter has been prepared and is presented to the AMWUA Board today for review. He acknowledged that the letter will not change the make-up of the DCP Steering Committee; however, it is still important to express the principle of the Phoenix area municipalities' importance to whatever solution is developed.

Mayor Lane agreed with Mr. Tenney and stated that it is important that a precedent not be set in which AMWUA is not directly included on water issues. Mayor Carlat and Councilmember Cook echoed Mayor Lane's sentiments.

Councilmember Turner clarified that in signing the letter he is not signing on behalf of the City of Glendale but as a member of the AMWUA Board of Directors.

Councilmember Lauritano, Mayor Lane, and Mr. Tenney discussed that AMWUA has historically been included at the table in water conversations and this letter serves to protect future AMWUA Boards from the precedent of AMWUA being omitted.

Councilmember Turner and Mr. Tenney discussed that the Southern Arizona Water Users Association (SAWUA) was included on the DCP Steering Committee, which was justified because SAWUA's membership includes agricultural water users.

Upon a motion by Mayor Carlat and a second by Councilmember Cook, the AMWUA Board of Directors unanimously voted to send a letter to Mr. Tom Buschatzke, ADWR Director, and Mr. Ted Cooke, CAP General Manager expressing concern that AMWUA was not included on the DCP Steering Committee.

Mr. Tenney reviewed a presentation on the current status of the Lower Basin DCP and the DCP Steering Committee. He discussed that there has been a sense of urgency on moving forward with the Lower Basin DCP because the U.S. Bureau of Reclamation's (Reclamation) August 24-Month Study projected increased probability of shortage that would impact municipalities. Mr. Tenney explained that due to the current hydrology of the Colorado River continuing to show a stressed system, Arizona, California, Nevada, and Reclamation have negotiated the Lower Basin DCP to reduce the potential risk of the system "crashing." He then reviewed several graphics of Lake Mead levels and shortage projections.

Mr. Tenney stated that there is a general sentiment that if Arizona does not adopt DCP, the State would face a political fallout; however, some still have reservations that Arizona

is bearing the bulk of the extra cuts and question if DCP benefits the State in the long-run. He then discussed political and technical considerations of interstate DCP. He said the same issues still need to be addressed as when DCP conversations began, including CAP Ag mitigation, Tribal Intentional Created Surplus (ICS), CAP excess water plan, and a specific Arizona conservation plan. He noted that the DCP Steering Committee has had three meetings to date and has initiated work groups with plans to tackle Pinal Ag mitigation first.

Mr. Tenney reviewed the municipal perspective and discussed the fundamentals needed for municipalities to support an internal Arizona plan. He stated that AMWUA will follow DCP developments and facilitated discussions, and will pursue solutions and keep its members apprised.

Councilmember Thompson and Mr. Tenney discussed the Lake Powell Pipeline water delivery project that would transport water from Lake Powell to southern Utah. Mr. Tenney said Utah is a part of the Upper Colorado River Basin, which is working on its own interstate DCP. He added that Utah is entitled to its full allocation, which has not been put to full use yet.

Vice Mayor Lopez and Mr. Tenney discussed that California would take its first cut when Lake Mead's elevation hits 1,040 ft.

In response to a question from Mayor Carlat, Mr. Tenney stated that the DCP Steering Committee's goal is to develop an intrastate DCP that the ADWR Director would be able to bring to the state legislature for approval to allow the ADWR Director to sign Arizona onto DCP.

Mr. Aarons discussed the primary elections and political climate of water issues. He also introduced Laura Magnus, legislative associate with The Aarons Company, and announced that Elise Kulik will be leaving The Aarons Company to begin a new position as a budget analyst with the Governor's Office.

5. Water Loss Control Technical Training and Assistance

Mr. Tenney stated that AMWUA contracted with Cavanaugh & Associates (Cavanaugh), an expert in water loss control, at the request of member staffs to conduct an informational webcast on advancements in water loss control best management practices. Following the webcast, he said AMWUA surveyed its members and learned that the majority are interested in getting training and technical assistance on water loss control, if state funding can be secured. Mr. Tenney stated that AMWUA proposes applying for Phoenix AMA Water Management Assistance Program funding to do a Water Loss Technical Assistance Pilot effort for large water providers in the AMA. He said this process includes getting support from the Phoenix AMA Groundwater Users Advisory Council and approval from the ADWR Director. He said if support is given, AMWUA would

then receive funding through an IGA with ADWR and then AMWUA would scope, contract, and organize the program for interested members. Mr. Tenney reported that the AMWUA Management Board unanimously recommended that the AMWUA Board of Directors endorse an AMWUA proposal for funding for a technical training and assistance program through the WMAP and authorize the Executive Director to enter into an IGA with ADWR if funding is secured.

Upon a motion by Mayor Carlat and a second by Councilmember Turner, the AMWUA Board of Directors unanimously endorsed an AMWUA proposal for funding a technical training and assistance program through the WMAP and authorize the Executive Director to enter into an IGA with ADWR, if funding is secured.

C. Executive Director's Report

Mr. Tenney introduced Patrick Adams, AMWUA's new water policy analyst.

D. Future Agenda Items

There were no requests for future agenda items.

E. Adjournment

Upon a motion by Councilmember Turner and a second by Councilmember Thompson, Mayor Lane unanimously adjourned the meeting at 10:12 a.m.

BOARD OF DIRECTORS

INFORMATION SUMMARY

September 27, 2018

Status of the Lower Basin Drought Contingency Plan and DCP Steering Committee

ANNUAL PLAN REFERENCE

Colorado River Drought / Shortage

Strategic Plan: Objectives – Prepare for Impacts of Drought & Shortage, Minimize Financial Impacts; Collaboration – Arizona Department of Water Resources, Central Arizona Project, Business Community

Actions:

- Remain engaged with developments to protect the Colorado River from drought and address the structural deficit.
- Seek ways AMWUA and its members can best individually and cooperatively respond to the increasing probability of a shortage declaration.

SUMMARY

The Drought Contingency Plan (DCP) Steering Committee has held four meetings since its inception in July. The Steering Committee is tasked with developing a plan for implementing DCP in Arizona by the end of November. The Steering Committee is focusing on three key issues: Pinal Ag mitigation, Tribal Intentionally Created Surplus (ICS), and a plan for excess water. Work groups have been formed to address Ag mitigation and Tribal ICS.

The Arizona Department of Water Resources (ADWR) and the Central Arizona Water Conservation District (CAWCD) presented the Pinal Ag mitigation workgroup a possible mitigation framework that would use different tools to mitigate the impact of proposed DCP cuts to the Pinal Ag water users. Those tools include:

- Using Lake Pleasant water
- Using Central Arizona Project (CAP) ICS in Lake Mead
- Voluntary use of high-priority as contribution to shortage reductions
- Redirection of storage from Underground Storage Facilities (USF) to Groundwater Storage Facilities (GSF) and increase storage in Pinal GSFs
- Finance local groundwater development and infrastructure

At its September 12th meeting, the AMWUA Management Board was presented a DCP update. Management Board members gave feedback on the Ag mitigation framework including concern for CAP ICS being listed as a tool.

AMWUA staff plans to provide an overview at the AMWUA Board of Directors meeting regarding the current status of the DCP Steering Committee and the Lower Basin Drought Contingency Plan.

RECOMMENDATION

The AMWUA Board of Directors is encouraged to ask questions and provide direction regarding Arizona's efforts to implement the Lower Basin Drought Contingency Plan.

BOARD OF DIRECTORS

INFORMATION SUMMARY

September 27, 2018

Avondale and Phoenix Storage, Recovery & Exchange Agreement and Treatment & Delivery Agreement

ANNUAL PLAN REFERENCE

AMWUA's Day-to-Day Operations

Strategic Plan: Operational Principles – Facilitate our Strength in Numbers, Excel as an Expert and Resource, Manage an Efficient and Effective Association

Action:

- AMWUA will continue to communicate about water and its members to increase awareness among the public and decision makers

SUMMARY

The cities of Avondale and Phoenix entered into two intergovernmental agreements to enhance each other's water systems by providing Phoenix a way to store more of its water and Avondale another way to put its Colorado River water to use. One agreement allows the City of Phoenix to store a part of its Central Arizona Project (CAP) Colorado River Water at the Avondale McDowell Recharge Facility. The other agreement allows Phoenix to divert, treat and transport Avondale's CAP water to a service interconnection with Phoenix's existing water distribution near an interconnect for Avondale. Avondale pays Phoenix an agreed-upon wholesale water treatment and delivery rate.

A positive example of partnership among two AMWUA cities, these two agreements are mutually beneficial and demonstrate creative ways to protect future water supplies and guard against continued drought and climate change.

A presentation to the AMWUA Board of Directors will detail the intergovernmental agreements between Avondale and Phoenix. The same presentation was given to the Management Board at its September 12, 2018 meeting.

RECOMMENDATION

The AMWUA Board of Directors is encouraged to discuss and ask questions about the Avondale and Phoenix intergovernmental agreements.