



## MANAGEMENT BOARD

### MEETING MINUTES

January 9, 2019

#### VOTING MEMBERS PRESENT

Mr. John Knudson, Chandler, Chairman  
Mr. Javier Setovich, Goodyear, Vice Chairman  
Mr. Brian Biesemeyer, Scottsdale  
Ms. Cindy Blackmore, Avondale  
Mr. Eric Braun for Ms. Jessica Marlow, Gilbert  
Ms. Cynthia Campbell for Ms. Karen Peters, Phoenix  
Mr. Brian Draper for Mr. Jake West, Mesa  
Mr. Craig Johnson, Glendale  
Ms. Holly Rosenthal, Tempe

#### VOTING MEMBERS NOT PRESENT

Mr. David Burks, Peoria

#### OTHERS PRESENT

Patrick J. Adams, AMWUA	Gina Kirklin, Scottsdale
Anthony Beckham, SRP	Ian Linssen, Mesa
Jessica Blazina, Avondale	Phillip Pagels, CAP
Ned Blum, CLA	Stuart Peckham, SRP
Gregg Capps, Chandler	Diana Piña, AMWUA
Patrick Dent, CAP	Cape Powers, Peoria
Keith DeVore, Mesa	Kathy Rall, Scottsdale
Alan Dulaney, Peoria	Richard Siegel, SRP
Gretchen Erwin, Goodyear	Tony Staffaroni, CAP
Kathy Ferris, AMWUA	Drew Swieczkowski, Glendale
Brett Fleck, AMWUA	Warren Tenney, AMWUA
Lacey James, Avondale	Sheri Trapp, AMWUA
Sam Jaskolski, AMWUA	Carol Ward-Morris, AMWUA

#### A. Call to Order

Mr. Knudson called the meeting to order at 10:02 a.m.

## **B. General Business – Items for Discussion and Possible Action**

### 1. Approval of the Minutes from the December 12, 2018 Meeting

Upon a motion by Mr. Biesemeyer and a second by Mr. Setovich, the AMWUA Management Board unanimously approved the December 12, 2018 meeting minutes.

### 2. Next meeting scheduled: Wednesday, February 13, 2019, 10:00 a.m., in the AMWUA office

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

Mr. Tenney shared an update on the Lower Basin Drought Contingency Plan (DCP) and DCP Steering Committee. Mr. Tenney discussed that the Arizona DCP Implementation Plan is a delicate compromise that provides Ag mitigation, Non-Indian Agriculture (NIA) mitigation, and protection for Lake Mead. He then reviewed the details of the plan: mitigation, Intentionally Created Surplus (ICS) Offset Plan, balancing Lake Mead, and Municipal and Industrial (M&I) contributions. He stated that the DCP framework meets AMWUA's priorities for DCP: it is a path forward for implementing DCP, respects and follows the priority system, has a clear timeframe, transitions Pinal Ag from Colorado River water to groundwater, protects Lake Mead, and does not weaken Arizona's long-term water management.

Mr. Tenney stated that nearly all stakeholders, including the Central Arizona Water Conservation District (CAWCD) Board, have voiced support for DCP. He noted that the Homebuilders and Pinal Agriculture have not voiced support for DCP and want additional concessions.

Mr. Tenney reported that at yesterday's DCP Steering Committee meeting, agreements as well as outstanding issues were discussed.

Mr. Tenney reviewed the next steps and details to work out by January 31<sup>st</sup>, the deadline that the U.S. Bureau of Reclamation (Reclamation) Commissioner Burman set for Arizona to settle DCP before the federal government steps in and sets a plan for Arizona. He also described what would happen if the federal government intervened, including that there would not be any mitigation.

In response to a question from Ms. Peters, Ms. Ferris described her opinion of the situation that it is a game of chicken.

Mr. Biesemeyer and Mr. Tenney noted that it was positive that at yesterday's DCP Steering Committee meeting, there was pushback to the Homebuilders requests for additional water.

Mr. Setovich stated that the timing and getting all of the deals together and completed through the legislative process is a challenge. He then asked what satisfies the Reclamation's deadline because there are many steps involved. Mr. Tenney said his understanding is that Reclamation needs the Arizona State Legislature to give the Director of the Arizona Department of Water Resources (ADWR) approval to sign the resolution. He noted that giving the ADWR Director approval to sign does not mean the work is completed, there is still work to do. Ms. Ferris added that the legislation aspect is simple and if the Legislature wants to get these efforts done, it will.

#### 4. 2019 Legislative Session

Mr. Tenney stated that the 2019 legislative session starts on Monday and DCP will be the key focus. He said AMWUA has been working with its members' intergov staffs on educating legislators on DCP and explaining its importance. He asked the AMWUA Management Board to encourage their intergov staffs to continue talking with legislators on DCP.

Mr. Tenney reported that AMWUA is still working on effluent legislation and that language has been drafted, sponsored, and the intention is to have that bill dropped next week.

Mr. Tenney stated that AMWUA has scheduled a legislative breakfast at the State Capitol on January 30<sup>th</sup>. He said it will be a meet and greet to talk with legislators.

Ms. Ulmer detailed happenings at the Legislature and said there are key leadership people moving DCP forward. She noted that legislators are starting to understand the importance and priority of this issue and are wanting to talk about water. She said she feels positive.

#### 5. Preparing Utility Finances for Shortages

Ms. Gina Kirklin, Enterprise and Finance Director for Scottsdale Water, gave a presentation detailing Scottsdale Water's strategies to prepare its finances for a shortage declaration on the Colorado River. Ms. Kirklin reviewed Scottsdale Water's water fund budget, purchased water budget, proposed rate increases in response to the impacts of the drought surcharge, water and sewer reserves, and proposed Fiscal Year 2020 water conservation budget.

#### 6. CAP's Salt River Siphon Project

Mr. Patrick Dent, Central Arizona Project (CAP) Water Control Manager, and Mr. Phillip Pagels, CAP Project Manager, gave a presentation updating the AMWUA Management Board on the CAP Salt River Siphon project. They reviewed CAP's outreach efforts and outage coordination, the November 2018 inspection, and repairs scheduled for late 2019.

Mr. Knudson and Mr. Pagels discussed the six-week outage timeline. Mr. Knudson asked what would happen if the project ran longer than scheduled. Mr. Dent said the November 2018 inspection was completed to more accurately scope and plan the project, so the allotted time will stand. He added that the Siphon will be refilled and return to service as scheduled. He noted that anything not completed during the outage will be included in the next project ten years down the road. Mr. Knudson and Mr. Dent discussed the timing of the outage and date selection.

Mr. Braun asked if CAP will be doing inspections along the reach below the canal while it is dewatered. Mr. Dent reviewed the process and stated that CAP will host another meeting in April or May to walk through a more detailed project plan.

#### 7. [AMWUA Annual Financial Audit Report for Fiscal Year 2018](#)

Mr. Tenney stated that the independent accounting firm of Heinfeld, Meech & Co. has issued the audit for AMWUA's Fiscal Year 2018 finances. He reported that the audit found AMWUA's finances to be on solid fiscal standing. He noted that the audit also indicated two opportunities to strengthen internal control.

Upon a motion by Mr. Johnson and a second by Mr. Biesemeyer, the AMWUA Management Board unanimously recommended that the AMWUA Board of Directors accept the audit report as presented.

### **C. Management Board Members' Updates**

The Management Board members were invited to report on water activities in their city/town.

Mr. Biesemeyer stated that Scottsdale Water has participated in the Arizona Public Service (APS) Peak Solutions Rebate program for over nine years and just achieved the milestone of receiving \$1 million in rebates. He said he and APS presented a large check to the Scottsdale City Council last night to recognize that accomplishment.

Mr. Knudson noted that the City of Chandler is participating in a rebate program through SRP and SRP's Solar facility.

### **D. Executive Director's Report**

Mr. Tenney stated that there has been a grassroots effort to draw attention to Arizona water professionals by designating an annual Arizona Water Professionals Appreciation Week. He said the effort is to increase awareness about the water industry and to encourage recruitment and retention of water professionals in the State. Mr. Tenney stated that AMWUA would support this effort but as of yet, there has been no indication to launch it. He will keep the AMWUA members apprised.

Mr. Tenney reported that AMWUA staff is taking a high-level look at the AMWUA budget for next fiscal year to give members ballpark figures for membership dues assessments.

Mr. Tenney introduced Sheri Trapp, AMWUA's new Communications Specialist.

**E. Future Agenda Items**

There were no requests for future agenda items.

**F. Adjournment**

Upon a motion by Mr. Biesemeyer and a second, Mr. Knudson unanimously adjourned the meeting at 11:21 a.m.