



BOARD OF DIRECTORS
MEETING MINUTES
January 24, 2019

VOTING MEMBERS PRESENT

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

VOTING MEMBERS NOT PRESENT

- Vice Mayor Lauren Kuby, Tempe

OTHERS PRESENT

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| Barry Aarons, The Aarons Co. | Keith DeVore, Mesa | Stuart Peckham, SRP |
| Patrick J. Adams, AMWUA | Miranda Dewitt, Mesa | Katie Peige, Phoenix |
| Anthony Alejandro, Peoria | Yesenia Dhott, Phoenix | Diana Piña, AMWUA |
| Anthony Beckham, SRP | Brian Draper, Mesa | John Raeder, Goodyear |
| Cindy Blackmore, Avondale | Alan Dulaney, Peoria | Kathy Rall, Scottsdale |
| Jessica Blazina, Avondale | Gretchen Erwin, Goodyear | Tony Staffaroni, CAP |
| Rob Bohr, Goodyear | Kathy Ferris, AMWUA | Warren Tenney, AMWUA |
| Ned Blum, CLA | Lacey James, Avondale | Sheri Trapp, AMWUA |
| Eric Braun, Gilbert | Sam Jaskolski, AMWUA | Carol Ward, AMWUA |
| Gregg Capps, Chandler | Ian Linssen, Mesa | Solange Whitehead, Scottsdale |

A. Call to Order

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

B. General Business – Items for Discussion and Possible Action

1. Approval of the Minutes from the December 20, 2018 Meeting

Upon a motion by Councilmember Lopez and a second by Councilmember Turner, the AMWUA Board of Directors unanimously approved the December 20, 2018 meeting minutes.

2. Next meeting scheduled: Thursday, February 28, 2019, 11:00 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. He reported that the DCP Steering Committee met on January 8th and discussed the Arizona DCP Implementation Plan. He noted 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 stated that agreements and legislation are needed to hold the Arizona DCP Implementation Plan together, and the Arizona Department of Water Resources (ADWR) and the Central Arizona Water Conservation District (CAWCD) are working on completing those agreements.

Mr. Tenney reported that last week, ADWR released draft legislation on DCP that appears to be consistent with the agreed upon implementation plan, which is positive, though the actual bill language has yet to be released. He noted that the draft legislation includes some of AMWUA's key legislative items for this year: repealing the 2025 sunset for effluent recharge and increasing credits for managed recharge.

Mr. Tenney stated that the 2019 Legislative Session began last week and AMWUA has put its efforts to educate, inform, and persuade Legislators into high gear. He said the current challenge is there is not official bill language yet for DCP that can push forward. He noted that a special CAWCD Board meeting is happening right now, where they are discussing and reviewing the Joint Resolution that would authorize the ADWR Director to sign onto DCP. He said upon the Joint Resolution's approval, it will most likely be dropped as a bill by Monday.

Mr. Tenney stated that AMWUA continues to stress the importance of protecting Arizona's Colorado River Water and reducing the risk to the Colorado River system by implementing DCP. He said there is positive movement and the January 31st deadline could still be met.

Councilmember Thompson asked about the Gila River Indian Community's (GRIC) concerns with Speaker Bowers' bill [HB 2476] to address issues on the Upper Gila River. Mr. Tenney said there has been a long-standing contention between farmers, ranchers, and the Tribes since the Arizona Settlement Act and this bill was trying to address that. He said the GRIC reacted strongly, though they have not issued any additional statements. Mr. Tenney added

that there are concerns about the constitutionality of the bill, so it is possible that it could get stuck in the Rules Committee.

Councilmember Lopez asked about Speaker Bowers' intentions behind introducing HB 2476 because it was very disruptive. Mr. Tenney said he has heard a few different explanations for the bill's introduction.

Councilmember Thompson, Mayor Lane, and Mr. Aarons discussed HB 2476 as well as process and procedural issues in the Legislature. Mr. Aarons commented that it is best to take the legislative process one step at a time.

Mayor Lane stated he has heard that there is a contingent that wants to press the January 31st deadline to spite the Federal Government and asked about the validity of this rumor. Mr. Aarons said the January 31st deadline is a real deadline, not just a threat. He noted that there will always be pushback and friction with the Legislature. Mr. Aarons added that when the Legislature decides to move the Joint Resolution forward, it has the capacity to do so and in the required timeline.

Mr. Aarons noted that Representative Gabaldón and Senator Brophy McGee have prepared bills regarding the 2025 sunset repeal on their desks that are prepared to drop, if the repeal does not go through with DCP.

In response to a question from Councilmember Lopez, Mr. Tenney stated that the U.S. Bureau of Reclamation (Reclamation) is fully funded and the Federal Register is partially staffed, so the government shutdown will not affect the January 31st deadline.

Councilmember Turner noted that Robert Robb wrote a column in the Arizona Republic on the Joint Resolution issue and asked if the article received any traction in the Legislature. Mr. Aarons said he was unsure how many read the article or reacted to it. Regarding the context of the article, Mr. Aarons noted that it would be difficult to pass the Joint Resolution if the additional bills are not ready because a lot of legislators will be voting for the Joint Resolution because their interest is addressed in either the omnibus or trailer bills.

Ms. Ferris stated that it is important to understand that HB 2476 does not just affect the GRIC, it affects the AMWUA municipalities. She said it is a significant piece of legislation that AMWUA will have to deal with, if it moves forward.

4. 2019 Legislative Session

Mr. Tenney reported that AMWUA will be hosting a Legislative Breakfast on Wednesday, January 30th from 8:00 to 10:00 a.m. in the Senate Majority Caucus Room at the State Capitol. He invited the AMWUA Board of Directors members and their intergov staffs to attend this meet and greet with Legislators. He said AMWUA will place poster boards around the room that highlight important issues to the Association. Mr. Tenney stated

that in addition to acknowledging AMWUA and its 50th anniversary, AMWUA wants Legislators to understand the importance of water to AMWUA's municipalities and that urban views on water are as critical as rural viewpoints. He noted that the January 31st deadline was not in place when this event was scheduled; however, it may turn out to be a great opportunity to continue to put pressure on Legislators to complete DCP.

Mr. Aarons stated that his staff will be making phone calls and promoting this event, but stressed the value of AMWUA members' intergov staffs calling their Legislators and making personal invitations. He noted the importance of a good attendance to show support for AMWUA.

Mr. Tenney announced that he received a text message reporting that the CAWCD Board unanimously supported the Joint Resolution at its special board meeting.

Mr. Tenney stated that while DCP has been the focus, a number of bills regarding water have been introduced. He said AMWUA staff, Mr. Aarons and his team are closely following any new legislation. Mr. Tenney noted that the outcome of DCP will determine AMWUA's position on a number of water bills.

Mr. Tenney reviewed two bills that AMWUA staff recommends supporting:

- HB 2464: would raise the threshold for requiring voter authorization to accept Water Infrastructure Finance Authority (WIFA) loans from 50,000 to 150,000 residents. This bill would be beneficial to Avondale and Goodyear.
- HB 2394: would update Arizona's water efficiency standards for indoor water fixtures starting in 2020, which have not been updated since 1992. HB 2394 would align these water efficiency standards with the Environmental Protection Agency's WaterSense standards, a national certification program that AMWUA supports.

Mayor Carlat voiced support for both bills.

Mayor Carlat, Mayor Lane, Vice Mayor Dennis, and Mr. Tenney discussed WIFA loans, requirements, and eligibility.

Upon a motion by Vice Mayor Dennis and a second by Mayor Carlat, the AMWUA Board of Directors unanimously took the position of supporting HB 2464 and HB 2394.

5. [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 also noted that the audit indicated two opportunities to strengthen internal control, which AMWUA has already taken steps toward enacting and will ensure those suggestions are followed. Mr. Tenney reported

that at its January 9th meeting, the AMWUA Management Board unanimously recommended that the AMWUA Board of Directors accept the audit report as presented.

Upon a motion by Councilmember Lopez and a second by Vice Mayor Dennis, the AMWUA Board of Directors unanimously accepted the audit report as presented.

C. Executive Director's Report

Mr. Tenney reported that the CAWCD Water Quality Task Force met last week and received a presentation from staff regarding standards for non-project water in the Central Arizona Project (CAP) canal. He noted that last summer, the CAWCD Board accepted the proposal from the AMWUA-facilitated stakeholder group and since then, the group has been reviewing additional constituents and introductory standards. He reported that the CAWCD Water Quality Task Force agreed with the stakeholder group's approach and is forwarding its recommendation to the CAWCD Board of Directors. He noted that there is still more work to be done and that Reclamation will be getting more involved in the process.

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 distributed copies of the AMWUA 2018 Achievements brochure to the AMWUA Board of Directors for them to share with their fellow councilmembers and management to give them a better understanding of AMWUA.

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

Mayor Lane, Mr. Tenney, and Councilmember Lopez discussed the important role water quality standards play in operations.

D. Future Agenda Items

There were no requests for future agenda items.

Councilmember Thompson thanked Mr. Tenney for speaking with the Mesa Chamber Governmental Affairs Council on DCP.

E. Adjournment

Upon a motion by Councilmember Lopez and a second by Councilmember Turner, Mayor Lane unanimously adjourned the meeting at 12:02 p.m.