



MANAGEMENT BOARD
MEETING MINUTES
February 13, 2019

VOTING MEMBERS PRESENT

Mr. Javier Setovich, Goodyear, Vice Chairman
Mr. Brian Biesemeyer, Scottsdale
Ms. Cindy Blackmore, Avondale
Mr. David Burks, Peoria
Ms. Cynthia Campbell for Ms. Karen Peters, Phoenix
Mr. Craig Johnson, Glendale
Ms. Jessica Marlow, Gilbert
Mr. Jake West, Mesa
Mr. Steve White for Ms. Holly Rosenthal, Tempe

VOTING MEMBERS NOT PRESENT

Mr. John Knudson, Chandler, Chairman

OTHERS PRESENT

Patrick J. Adams, AMWUA	Stuart Peckham, SRP
Michelle Barclay, AMWUA	Diana Piña, AMWUA
Gretchen Baumgardner, Tempe	Cape Powers, Peoria
Ned Blum, CLA	Clark Princell, Phoenix
Chris Connor, Chandler	Tony Staffaroni, CAP
Kathy Ferris, AMWUA	Warren Tenney, AMWUA
Brett Fleck, AMWUA	Steven Townsend, Arcadis
Sandra House, Glendale	Sheri Trapp, AMWUA
Lacey James, Avondale	Heather Turrentine, Gilbert
Sam Jaskolski, AMWUA	Peter Tymkiw, Arcadis
John Matta, Arcadis	Carol Ward, AMWUA

A. Call to Order

Mr. Setovich called the meeting to order at 10:01 a.m.

B. General Business – Items for Discussion and Possible Action

1. Approval of the Minutes from the January 9, 2019 Meeting

Upon a motion by Mr. Johnson and a second by Mr. Biesemeyer, the AMWUA Management Board unanimously approved the January 9, 2019 meeting minutes.

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

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

5. AMWUA Quarterly Financial Statements – Second Quarter

Mr. Tenney reported that AMWUA's financial statements for the second quarter of Fiscal Year 2019 show that AMWUA is operating within the resources provided. He noted that the majority of the budget line items are either at or below the approved budget for this fiscal year and the differences are primarily due to the timing of the expenses in relation to the year-to-date totals and should even out by fiscal year end. He reported that the Water Conservation line item is showing over budget due to the \$50,000 contribution to the *Water—Use It Wisely* campaign; however, that is offset by the \$50,000 over budget in revenue due to the Arizona Department of Water Resources (ADWR) reimbursement.

Upon a motion by Mr. Burks and a second by Ms. Blackmore, the AMWUA Management Board unanimously recommended that the AMWUA Board of Directors accept the second quarter financial statements as presented.

3. 2019 Legislative Session

Mr. Tenney reported that AMWUA accomplished its 2019 legislative agenda with the passing of the Drought Contingency Plan (DCP) and the removal of the 2025 sunset for effluent recharge credits. He also stated that AMWUA hosted a Legislative Breakfast on January 30th and it was well attended.

Mr. Tenney reported that at the last AMWUA Board of Directors meeting, the Board unanimously supported House Bill (HB) 2394 and HB 2464. He said AMWUA is currently tracking 35 bills, but that amount should decrease after next week when the bills that will actually be moving forward will be known.

Mr. Tenney reviewed the following 19 bills that AMWUA recommends supporting:

- HB 2009: would extend the Arizona Navigable Stream Adjudication Commission for another four years. This commission is determining which rivers and streams were navigable at the time of statehood. This bill has passed the House and moved to the Senate.

- HB 2013: would appropriate \$1 million from the state general fund to the Arizona Water Protection Fund. AMWUA has supported this bill in previous sessions. This bill has passed the House and moved to the Senate.
- HB 2428: would require counties and cities to install water-free urinals in all new construction or remodeling of existing public buildings. AMWUA recommends supporting this bill, if it can be amended to require either a water-free urinal or to allow urinals with the WaterSense label. This bill has been assigned to a committee but has yet to be heard.
- HB 2396 & Senate Bill (SB) 1368: would mandate measuring and annual reporting for non-exempt wells throughout the state. AMWUA supported similar legislation last year. AMWUA expects this bill to be strongly opposed, like last year.
- HB 2477: would clean up state statutes by removing language introduced in 1995 that dealt with the General Stream adjudication process that has subsequently been found unconstitutional.
- HB 2484 & SB 1221: would allow a person with an irrigation grandfathered right to use their groundwater to water plants on or above the surface. These bills are moving in their respective chambers.
- HB 2580 & SB 1450: would appropriate \$15 million from the state general fund for the Game and Fish Commission to provide grants to municipalities and other political jurisdictions to eradicate invasive vegetation. The projects must assist in fire and flood prevention. This bill passed committee in the House yesterday.
- HB 2591 & SB 1265: seeks money from the state general fund for the Water Quality Assurance Revolving Fund (WQARF). AMWUA has supported similar legislation in the past to fund WQARF. AMWUA does not anticipate this bill will move forward.
- HB 2592: would appropriate \$6.1 million to ADWR for hiring hydrologists and other support staff. This bill is awaiting committee assignment.
- SB 1477: would direct the State Land Commission and State Forester to remove hazardous vegetation on state land for fire suppression and watershed management. This bill was assigned to committee.
- SB 1478: would require cities or towns with Wildland-Urban Interface (WUI) to adopt an ordinance requiring private property within the WUI to remove any vegetation, natural fuels, or trash that is a fire hazard. This bill would appropriate \$1 million for cities or towns in a matching program for wildfire fuel removal. This bill was assigned to committee.
- SB 1544: would prevent a property owner or Homeowner's Association from prohibiting the use of a water saving device or water conservation practice as part of a property agreement. This bill is not expected to move forward.
- House Resolution (HR) 2002: would designate April 14-20, 2019 as Arizona Water Professionals Appreciation Week.

Ms. Campbell and Mr. Biesemeyer discussed concerns with HB 2428's threshold on renovations requiring the installation of no-water urinals. Mr. Setovich stated that it may be

a good idea to discuss the return on investment and the long-term impact on operations of no-water urinals with the bill sponsor because it may not be as beneficial as other conversation approaches, particularly economically. Ms. Marlow, Ms. Campbell, and Mr. Tenney confirmed that HB 2428 applies to local municipalities and the state.

Mr. Tenney reviewed the following three bills that AMWUA recommends opposing:

- HB 2449: would allow a county not in an Active Management Area to vote not to readopt the mandatory 100-year adequate water supply requirement. The county board of supervisors would have to vote unanimously, and certain conditions must be in place. This bill is similar to the bills that then Senator Griffin introduced in 2016 and 2018, which AMWUA opposed. This bill has yet to be heard in committee.
- HB 2476: would alter Arizona water law by removing the statutes that govern the forfeiture of water rights not put to beneficial use. This is the legislation that the Gila River Indian Community said would cause them to walk away from DCP. AMWUA is concerned with this bill's potential implications on different types of beneficial use for surface waters of the state, including underground storage and the exchange of effluent or Central Arizona Project (CAP) water for surface water. This bill has yet to be assigned to a committee.
- HB 2586: would alter the Groundwater Code and Central Arizona Groundwater Replenishment District (CAGR) statutes, significantly undermine the assured water supply requirements, and put undue pressure on the ADWR Director to approve transfers and leases of Colorado River water to CAGR. This bill has not yet been scheduled for committee.

Ms. Ferris, Mr. Biesemeyer, Ms. Campbell, Mr. Tenney, Mr. Johnson, and Mr. Burks discussed current Arizona law governing the forfeiture of water rights not put to beneficial use. Ms. Ferris stated that this is a complicated issue and it is important to oppose HB 2476 because it was already deemed unconstitutional by the Supreme Court. She said it also removes clarity about underground storage.

Mr. Biesemeyer expressed concerns with HB 2609 and asked who is pushing the bill. Ms. Ulmer stated that Representative Peterson and Representative Cook are pushing this bill. Mr. Biesemeyer said he would recommend monitoring HB 2609 with the intention of opposing the bill if it moves forward. Mr. Tenney agreed and said it may be a good idea to move HB 2609 to oppose because it deepens the acceptable level of the water table for groundwater pumping and could set precedent.

Upon a motion by Mr. Biesemeyer and a second by Mr. Johnson, the AMWUA Management Board unanimously recommended that the AMWUA Board of Directors oppose HB 2609. (Did they actually vote on this before voting on all the bills?)

Mr. Tenney reported that there are 13 other bills that AMWUA recommends monitoring.

Ms. Campbell asked about others' opinions of HB 2225, which changes the capacity of exempt wells. Ms. Ferris said the exempt wells statute is messy and she found this bill to not be properly drafted. Ms. Ulmer said she does not see HB 2225 going forward. She then noted that the sponsor is from Tempe and if the bill was to move forward that we would step in and find more information about the goal this bill is trying to achieve.

Upon a motion by Mr. Biesemeyer and a second by Mr. Johnson, the AMWUA Management Board unanimously recommended that the AMWUA Board of Directors take the following legislative positions:

Support: HB 2009; HB 2013; HB 2428—if amended; HB 2394; HB 2396/SB 1544; HB 2464; HB 2477; HB 2484/SB 1221; HB 2580/SB 1450; HB 2591/SB 1265; HB 2592; SB 1477; SB 1478; SB 1554; HR 2002

Oppose: HB 2449; HB 2476; HB 2586; HB 2609

Monitor: HB 2143; HB 2225; HB 2397/SB 1369; HB 2434; HB 2475; HB 2467; HB 2468; HB 2590; HB 2595; SB 1198; SB 1370

4. Status of Lower Basin Drought Contingency Plan

Mr. Tenney reported that the Governor signed legislation to authorize Arizona's participation in DCP on January 31, 2019. He said California is now the main focus for completing DCP as the Imperial Irrigation District is holding out on signing DCP in an effort to get \$200 million to restore the Salton Sea. He stated that the Secretary of the Interior has announced in the Federal Register that the United States is prepared to solicit recommendations from the governors of the seven Colorado River Basin States on federal actions to reduce risk to the Colorado River Basin in the absence of DCP. He said the comment period will be open from March 4 to March 19, 2019.

Mr. Tenney stated that ADWR, CAP, the Tribes, the U.S. Bureau of Reclamation (Reclamation), and other stakeholders continue to work on agreements for implementing DCP within Arizona. He noted that the DCP Steering Committee is scheduled to meet on February 19th.

Mr. Setovich and Mr. Tenney discussed that it is not completely clear which agreements that Arizona needs to have completed regarding its intrastate implementation plan.

Mr. Johnson said California and Nevada are slowly pulling their Intentionally Created Surplus (ICS) out of Lake Mead and asked if they are still doing that. Mr. Tenney said yes. He also noted that if DCP is completed by April, California can adjust its plans and return to previous ICS levels.

C. Management Board Members' Updates

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

Mr. Biesemeyer reported that the City of Scottsdale is sponsoring the AZ Water Association Water Distribution Annual Workshop in Scottsdale on February 20th for the East Valley. He encouraged folks to attend.

Mr. Setovich noted that the City of Goodyear will be hosting the AZ Water Association Water Distribution Annual Workshop in Goodyear for the West Valley.

D. Executive Director's Report

Mr. Tenney stated that last summer, the Central Arizona Water Conservation District (CAWCD) Board approved the framework for managing the quality of non-project water that is introduced into the CAP system, including major water quality elements and numeric criteria for six constituents. He said since then, CAWCD staff and stakeholders have developed proposed numeric standards for an expanded list of over 250 constituents. He reported that last week, the CAWCD Board approved those proposed standards. Mr. Tenney said CAWCD staff will now develop a guidance document, continue engaging with stakeholders, and coordinating with Reclamation. He noted that CAWCD publicly acknowledged AMWUA's facilitation of the stakeholder process for the last year and a half.

Mr. Tenney distributed copies of AMWUA's 2018 Achievements brochure to the AMWUA Management Board for them to share with others in management to give them a better understanding of AMWUA.

Mr. Setovich noted that at a previous meeting, Mr. Tenney mentioned that he would reach out to each AMWUA member's City Council. Mr. Tenney said he hopes to meet with each council in regard to AMWUA's 50th anniversary and speak with them about the Association, its accomplishments over the last 50 years, and plans for going forward. Mr. Tenney reported that he gave a presentation last week to Phoenix City Council's Water, Wastewater, Infrastructure and Sustainability Committee and will be meeting with the Scottsdale City Council on March 19th.

E. Future Agenda Items

There were no requests for future agenda items.

F. Adjournment

Mr. Setovich adjourned the meeting at 11:00 a.m.