



**BOARD OF DIRECTORS**  
**MEETING MINUTES**  
**February 28, 2019**

**VOTING MEMBERS PRESENT**

Mayor Cathy Carlat, Secretary-Treasurer, Peoria  
Councilmember Eddie Cook, Vice President, Gilbert, via teleconference  
Vice Mayor Lauren Kuby, Tempe  
Councilmember Sheri Lauritano, Goodyear  
Councilmember René Lopez, Chandler  
Councilmember Kevin Thompson, Mesa  
Councilmember Bart Turner, Glendale

**VOTING MEMBERS NOT PRESENT**

Councilmember Curtis Nielson, Avondale  
Mayor Jim Lane, President, Scottsdale  
Mayor Thelda Williams, Phoenix

**OTHERS PRESENT**

|                              |                      |                                 |
|------------------------------|----------------------|---------------------------------|
| Barry Aarons, The Aarons Co. | Alan Dulaney, Peoria | John Raeder, Goodyear           |
| Patrick J. Adams, AMWUA      | Kathy Ferris, AMWUA  | Javier Setovich, Goodyear       |
| Anthony Alejandro, Peoria    | Brett Fleck, AMWUA   | Tony Staffaroni, CAP            |
| Anthony Beckham, SRP         | Sam Jaskolski, AMWUA | Warren Tenney, AMWUA            |
| Jessica Blazina, Avondale    | Ryan Lee, Glendale   | Sheri Trapp, AMWUA              |
| Ned Blum, CLA                | Frank Milam, Phoenix | Emily Webb, Avondale            |
| Gregg Capps, Chandler        | Diana Piña, AMWUA    | Theresa Ulmer, Ulmer Consulting |

**A. Call to Order**

Mayor Carlat called the meeting to order at 11:12 a.m.

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

### 1. Approval of the Minutes from the January 24, 2019 Meeting

Upon a motion by Councilmember Turner and a second by Councilmember Thompson, the AMWUA Board of Directors unanimously approved the January 24, 2019 meeting minutes.

### 2. Next meeting scheduled: Thursday, March 28, 2019, 11:00 a.m., in the AMWUA office

### 3. 2019 Legislative Session

Mr. Tenney reported that AMWUA accomplished much of its 2019 legislative agenda with the passing of the Drought Contingency Plan (DCP) and the removal of the 2025 sunset for effluent recharge credits.

Mr. Tenney reported that at the last AMWUA Board of Directors meeting, the AMWUA Board unanimously supported House Bill (HB) 2394 and HB 2464. He said HB 2394 would have updated Arizona's water efficiency standards for indoor water fixtures, but it did not pass out of committee. He said 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. He reported that HB 2464 passed out of the House and is in the Senate.

Mr. Tenney stated that since last month's meeting, 35 water-related bills have been introduced. He said the AMWUA Management Board reviewed 22 of those bills at its last meeting, and many of those bills are no longer moving forward.

Mr. Tenney reviewed the following five bills that AMWUA supports:

- HB 2428: would require counties and cities to install water-free urinals in all new construction or remodeling of existing public buildings. AMWUA recommended supporting this bill, if it can be amended to require either a water-free urinal or to allow urinals with the WaterSense label. Since then, the sponsor has said he would like to amend the bill to address urinals in the House and Senate buildings as a pilot program. AMWUA will be working with Representative Thorpe to ensure the correct language is passed.
- HB 2591: 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. This bill did not pass out of Appropriations.
- 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. These bills are moving forward.

- 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 is moving.

Mr. Aarons and Councilmember Lopez discussed concerns with the language of HB 2428. Councilmember Turner noted the City of Glendale has been discussing updating its building code and one idea included adding conservation measures for fixtures with conditions based upon building size and savings. Councilmember Thompson and Mr. Aarons discussed that a bill is not needed for a pilot program and that this bill is a demonstration of support for conservation measures.

Mr. Tenney reviewed the following bills that AMWUA has opposed: HB 2111 Striker, HB 2586, and HB 2609.

Mr. Tenney stated that HB 2111 Striker would allow a county that is not in an Active Management Area (AMA), through a unanimous vote of its county board of supervisors, to vote not to readopt the mandatory 100-year adequate water supply requirement. He said this bill is similar to the bills that then-Senator Griffin introduced in 2016 and 2018 that AMWUA opposed. He reported that this bill is moving forward.

Mr. Tenney stated that HB 2586 would alter the Groundwater Code and Central Arizona Groundwater Replenishment District (CAGRD) statutes, significantly undermine the assured water supply requirements, and put undue pressure on the Arizona Department of Water Resources (ADWR) Director to approve transfers and leases of Colorado River water to CAGRD.

Mr. Tenney reported that following the House Natural Resource Committee meeting, AMWUA attended a meeting to discuss HB 2586 where AMWUA outlined its concerns about what the bill would do regarding an analysis of assured water supply in Pinal County and how it changes criteria for assured water supply determination. Following the meeting, AMWUA sent a letter to the bill's sponsor, Representative Cook, to outline the Association's concerns.

Mr. Tenney said yesterday evening, proponents of the bill offered to make adjustments based upon AMWUA's concerns and he agreed to discuss this offer with the AMWUA Board of Directors.

Mr. Tenney and the AMWUA Board of Directors discussed HB 2586, including the proposed changes, and noted appreciation for the invitation to collaborate. The AMWUA Board of Directors maintained that water legislation impacting something as critical to Arizona as the Assured Water Supply regulations needs to be fully vetted in the water community before, not during, a legislative session. The importance of ADWR involvement in the formulation of this bill was also noted.

Mr. Aarons expressed concern for precedent set by HB 2586, regardless of the bill's "no precedent" component. Ms. Ferris agreed.

Ms. Ulmer stated that she feels the act of proponents of the bill coming to AMWUA shows that AMWUA's opposition is impactful. She reiterated that it is important for ADWR to weigh in on the bill.

Councilmember Lopez and Councilmember Lauritano expressed concern for precedent set by HB 2586 and said a neutral position does not help AMWUA. Vice Mayor Kuby and Councilmember Turner agreed.

Mr. Tenney stated that HB 2609 would add a provision to statute allowing private water companies to withdraw groundwater from purchased land in the Harquahala irrigation non-expansion area (INA) and transport that water to an initial AMA where previously only political subdivisions of the state could purchase land and transfer the groundwater to AMAs. He noted that the AMWUA Management Board's main concern is that HB 2609 deepens the acceptable level of the water table for groundwater pumping from 1,000 feet below ground to 1,500 feet. Mr. Tenney reported that subsequent to the AMWUA Management Board meeting, AMWUA staff spoke with the bill's supporters. He said since the Harquahala INA has been designated as a basin in which water can be transferred from, the supporters believe it provides a supply of wet water that could be utilized and pumping to the depth of 1,500 feet would allow access to a larger wet water supply. Mr. Tenney stated that AMWUA staff proposes that AMWUA's position remain opposed because ADWR has not weighed in on this bill.

Mayor Carlat expressed concern for the consequences of drilling deeper.

Ms. Ferris said groundwater transfers have been a hot issue and this has not been vetted or studied, similar to HB 2586.

Councilmember Turner commented on the importance of withholding support until ADWR weighs in, so we have all the information and considerations available before we are willing to support something.

Councilmember Thompson and Mr. Aarons discussed striker bills and legislative process and strategy.

Councilmember Lopez and Mr. Tenney discussed that Senate Bill (SB) 1178 is not moving forward. Ms. Ulmer encouraged anyone who is interested in SB 1178 to contact Senator Otondo because she is passionate about the bill and will bring it back in the future.

Upon a motion by Councilmember Lopez and a second by Councilmember Thompson, the AMWUA Board of Directors unanimously took the following legislative positions:

**Support:** HB 2009; HB 2110—STRIKER; HB 2013; HB 2428—if amended; HB 2396/SB 1544; HB 2464; HB 2477; HB 2484/SB 1221; HB 2580/SB 1450; HB 2591; HB 2592; SB 1477; SB 1478; SB 1554; HR 2002

**Oppose:** HB 2111—STRIKER; 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; HB 2630/SB 1370; SB 1198

#### 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 expressed disappointment that the U.S. Bureau of Reclamation (Reclamation) did not give more acknowledgement to Arizona for achieving legislative approval. He said Reclamation cited intrastate agreements needing to be completed, so Arizona is not done. Mr. Tenney reported that Mr. Buschatzke and Mr. Cooke sent a letter to Reclamation in response explaining that Arizona is done and in support of DCP and those intrastate agreements will be completed.

Mr. Tenney stated that ADWR, the Central Arizona Project (CAP), the Tribes, and other stakeholders continue to work on agreements for implementing DCP within Arizona.

Mr. Tenney reported 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 said California is now the main focus for completing DCP as the Imperial Irrigation District (IID) is holding out on signing in an effort to get \$200 million to restore the Salton Sea. He said the Basin States are looking to see if there is a possibility to move forward with DCP without IID, similar to Minute 319.

Mayor Carlat, Mr. Tenney, Vice Mayor Kuby, Ms. Ferris, Councilmember Thompson, Councilmember Lauritano, and Councilmember Lopez discussed the IID's position, senior water rights, and the history, use, and potential environmental hazards of the Salton Sea.

#### 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.

Mr. Tenney stated that at its February 13<sup>th</sup> meeting, the AMWUA Management Board unanimously recommended that the AMWUA Board of Directors accept the second quarter financial statements as presented.

Upon a motion by Councilmember Turner and a second by Councilmember Lopez, the AMWUA Board of Directors unanimously accepted the second quarter financial statements as presented.

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

Mr. Tenney reported that the Governor's Water Augmentation Council has been changed to the Governor's Water Augmentation Innovation Conservation Council and it will be meeting next week. He said all members of the original Council are on the new Council, including himself.

Mr. Fleck gave an informational update on precipitation, snowpack, and the statuses of the Colorado River system and the Salt and Verde River systems.

Mr. Tenney noted that the AMWUA Board of Directors should anticipate a longer meeting next month, as it will cover legislation, the AMWUA Annual Plan, and the Executive Director's annual performance appraisal.

### **D. Future Agenda Items**

There were no requests for future agenda items.

### **E. Adjournment**

Mayor Carlat adjourned the meeting at 12:23 p.m.