



BOARD OF DIRECTORS
MEETING MINUTES
March 28, 2019

VOTING MEMBERS PRESENT

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

VOTING MEMBERS NOT PRESENT

Vice Mayor Lauren Kuby, Tempe
Mayor Thelda Williams, Phoenix

OTHERS PRESENT

Barry Aarons, The Aarons Co.	Alan Dulaney, Peoria	John Raeder, Goodyear
Patrick J. Adams, AMWUA	Kathy Ferris, AMWUA	Kathy Rall, Scottsdale
Anthony Alejandro, Peoria	Lacey James, Avondale	Tony Staffaroni, CAP
Anthony Beckham, SRP	Sam Jaskolski, AMWUA	Warren Tenney, AMWUA
Cindy Blackmore, Avondale	Ryan Lee, Glendale	Sheri Trapp, AMWUA
Jessica Blazina, Avondale	Ian Lissen, Mesa	Emily Webb, Avondale
Eric Braun, Gilbert	Diana Piña, AMWUA	Carol Ward, AMWUA
Gregg Capps, Chandler	Clark Princell, Phoenix	
Miranda Dewitt, Mesa	Cape Powers, Peoria	

A. Call to Order

Councilmember Cook called the meeting to order at 11:06 a.m.

Councilmember Curtis Nielson, Avondale's newly appointed representative to the AMWUA Board of Directors, was introduced.

B. General Business – Items for Discussion and Possible Action

1. Approval of the Minutes from the February 28, 2019 Meeting

Upon a motion by Councilmember Lopez and a second by Councilmember Turner, the AMWUA Board of Directors unanimously approved the February 28, 2019 meeting minutes.

2. Next meeting scheduled: Thursday, April 25, 2019, 11:00 a.m., in the AMWUA office

3. 2019 Legislative Session

Mr. Tenney reported that earlier this month, AMWUA received a commendation from the Governor's Office for AMWUA's 50th anniversary and the Association's accomplishments over that time period. He said the commendation was read on the floor of the House by Representative Osborne and on the floor of the Senate by Senator Otondo. He thanked Mayor Lane for attending the recognition as AMWUA's Board of Directors President.

Mr. Tenney stated that the legislative session has reached the point in which we are waiting to see what strikers might arise and what will come from the budget negotiations. He said up to now, some of the bills AMWUA has supported are moving forward and, more importantly, the bills that AMWUA had strong concerns with are now not moving.

Mr. Tenney provided an update on key legislation that AMWUA is following. He stated that HB 2464, which AMWUA supported and would raise the threshold for requiring voter authorization to accept Water Infrastructure Finance Authority loans from 50,000 to 150,000 residents, was signed by the Governor last week. Mr. Tenney reported that two key bills that AMWUA opposed are being held: HB 2586, dealing with the analysis of assured water supply in Pinal County, and HB 2609, dealing with groundwater transfers from the Harquahala irrigation non-expansion area. He said the issue raised by HB 2586 and HB 2609 will be discussed by stakeholders during the summer in an attempt to find a resolution before next legislative session. Mr. Tenney stated that two strikers were heard and passed in committee on Tuesday: Striker SB 1440, which would designate \$760,000 of the state budget for six full-time technical positions at ADWR, and Striker HB 2124, which would appropriate \$289,500 for administrative support for the superior court's oversight of the general stream adjudication. He reported that AMWUA voiced support for both strikers and would like official support from the AMWUA Board of Directors.

Mr. Aarons reviewed the process for appropriation bills and the state budget.

Mr. Aarons, Mayor Carlat, and Councilmember Lopez clarified Striker SB 1440 and Striker HB 2124 regarding how much money would be spent and what the funds would be spent on.

Upon a motion by Councilmember Turner and a second by Mayor Carlat, the AMWUA Board of Directors unanimously supported Striker SB 1440 and Striker HB 2124.

Mr. Aarons discussed the impact AMWUA had on this legislative session. He also noted the effect of Representative Stringer's resignation.

4. Status of Lower Basin Drought Contingency Plan

Mr. Tenney reported that last week, the seven Colorado River Basin States signed a letter saying that they had completed their part to approve the Drought Contingency Plan (DCP) and it is now time for the federal government to do its part: Congress needs to approve DCP, so the Secretary of the Interior will manage shortages on the Colorado River in accordance to the agreed upon DCP. Mr. Tenney said yesterday, the Senate Committee on Energy and Natural Resources' Subcommittee on Water and Power held a hearing on DCP and the House Subcommittee on Water, Oceans, and Wildlife is holding a hearing today. He stated that these are positive steps that show approving DCP is on the fast track in an effort to be completed by April 22, 2019, so Mexico's contribution will kick in for next year. He stated that there appears to be general congressional support for DCP.

Mr. Tenney reported that the latest forecast from the U.S. Bureau of Reclamation shows that a shortage will be narrowly avoided in 2020. He said the end of year forecast for Lake Mead is seeing an increase of more than nine feet due to the wetter than average conditions resulting in a large release from Lake Powell. He noted that this year's above average snowpack has raised water levels in Lake Powell, increasing the likelihood that we will get an above average release next year, greatly reducing the likelihood of deeper shortage in 2021. Mr. Tenney stated that though there is still a possibility of shortage in 2020, the probability is falling rapidly and if there is not a shortage in 2020 nothing changes with DCP and the DCP Implementation Plan. He said what Arizona agreed to on January 31st is in place with a clear time frame based on the possible shortage tiers that could occur.

5. Colorado River Shortage Awareness Campaign

Ms. Trapp shared a presentation on AMWUA's proposed Colorado River Shortage Awareness – Regional Engagement Campaign (Shortage Awareness Campaign). She noted that this regional awareness effort is a strategic communications campaign, not a marketing-specific campaign. She stated that messaging and public outreach must be priorities as attention on water will continue to increase, and the media, public, and elected officials will have questions and concerns. Ms. Trapp highlighted the benefits of the Shortage Awareness Campaign: it would create consistent and well-coordinated

regional messaging; it would educate and inform, eliminating any surprises; and it would help us control the messages, allowing us to be proactive and not reactive. She then outlined the Shortage Awareness Campaign's three core messages, action plan, and supporting materials. Ms. Trapp noted that regardless of whether a shortage is declared or not, we will continue to plan, prepare, and take steps to ensure we are ready. She stated that the Shortage Awareness Campaign will be underway in April and the AMWUA communications staffs, public information office staffs, and conservation staffs will have a follow-up meeting on April 16, 2019.

The AMWUA Board of Directors discussed that each city has a unique water portfolio and that each city may not have access to every different type of supply. They also agreed on the importance of educating the public and being proactive with messaging.

Ms. Trapp stated that she will be meeting individually with each AMWUA member to learn about their unique challenges, so AMWUA can tie that into a feature piece that targets misconceptions and highlights great things that have been done in water.

Mr. Tenney reported that at its March 13, 2019 meeting, the AMWUA Management Board unanimously recommended that the AMWUA Board of Directors support the Colorado River Shortage Awareness – Regional Engagement Campaign.

Upon a motion by Mayor Carlat and a second by Councilmember Lopez, the AMWUA Board of Directors unanimously supported the Colorado River Shortage Awareness – Regional Engagement Campaign.

6. Fiscal Year 2020 Annual Action Plan

Mr. Tenney presented AMWUA's proposed annual action plan for Fiscal Year 2020 that serves as a road map for how AMWUA can accomplish its overall strategic plan that was approved in 2016. He said AMWUA received feedback from the Water Resources Advisory Group and the AMWUA Management Board, and is now seeking comments from the AMWUA Board of Directors. He detailed the annual action plan's areas of focus and briefly described each: Day-to-Day Operations; Shortage Preparation; Enhanced Communication; Recovery Implementation Plan; Legislation; Demand Management & Sustainability; Prepare for Redesignations; Achieving Safe-Yield; Finances & Water; and Colorado River Management.

Mr. Tenney reported that at its March 13, 2019 meeting, the AMWUA Management Board unanimously recommended that the AMWUA Board of Directors approve the annual plan through Fiscal Year 2020 after providing feedback.

Vice Mayor Cook and Mr. Tenney discussed that removing the 2025 sunset for earning long-term storage credits by effluent recharge was included in the DCP implementation

legislation that passed January 31, 2019. Removing the 2025 sunset was a key goal of AMWUA's 2019 legislative agenda.

Upon a motion by Councilmember Lopez and a second by Councilmember Turner, the AMWUA Board of Directors unanimously adopted the annual action plan through Fiscal Year 2020.

Mayor Lane and Mr. Tenney discussed that Arizona has a seven-year plan for how DCP would be implemented in Arizona. Mr. Tenney said the plan specifies what will happen each year based on the level of shortage at that time.

C. Executive Director's Report

No report was given.

D. Future Agenda Items

There were no requests for future agenda items.

E. Executive Session

Pursuant to A.R.S. Section 38.431.03.A.1 and upon a motion by Councilmember Turner and a second by Mayor Carlat, the AMWUA Board of Directors unanimously voted to convene in Executive Session to discuss the annual evaluation of the AMWUA Executive Director.

F. Consideration of Action Pursuant to Executive Session

Pursuant to the discussion in Executive Session and upon a motion by Councilmember Thompson and a second by Mayor Carlat, the AMWUA Board of Directors unanimously voted to adjust Mr. Tenney's annual compensation based on his strong performance.

G. Adjournment

Mayor Lane recognized Avondale's previous representative to the AMWUA Board of Directors, Vice Mayor Pat Dennis, and her service to the Association during her appointment.

Upon a motion by Councilmember Thompson, a second by Councilmember Turner, and unanimous approval, Mayor Lane adjourned the meeting at 12:55 p.m.