



MANAGEMENT BOARD

MEETING MINUTES

August 14, 2019

VOTING MEMBERS PRESENT

Mr. John Knudson, Chandler, Chairman
Mr. Javier Setovich, Goodyear, Vice Chairman
Ms. Gretchen Baumgardner for Ms. Holly Rosenthal, Tempe
Mr. Brian Biesemeyer, Scottsdale
Ms. Cindy Blackmore, Avondale
Mr. Craig Johnson, Glendale
Ms. Jessica Marlow, Gilbert
Ms. Karen Peters, Phoenix
Mr. Cape Powers, Peoria
Mr. Jake West, Mesa

OTHERS PRESENT

Patrick J. Adams, AMWUA	Lacey James, Avondale	Martin Stiles, CAP
Anthony Beckham, SRP	Sam Jaskolski, AMWUA	Drew Swieczkowski, Glendale
Eric Braun, Gilbert	Tarja Nummela, Tempe	Warren Tenney, AMWUA
Gregg Capps, Chandler	Bob Pane, SRP	Sheri Trapp, AMWUA
Brian Draper, Mesa	Diana Piña, AMWUA	Theresa Ulmer, Ulmer Consulting
Ray Diaz, Goodyear	Kathy Rall, Scottsdale	Tammi Watson, CAP
Paulette Fenderson, Phoenix	Dave Roberts, SRP	
Bruce Hallin, SRP	Tony Staffaroni, CAP	

A. Call to Order

Mr. Knudson 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 May 8, 2019 Meeting

Upon a motion by Mr. Johnson and a second by Ms. Peters, the AMWUA Management Board unanimously approved the May 8, 2019 meeting minutes.

2. Next meeting scheduled: Wednesday, September 11, 2019, 10:00 a.m., in the AMWUA office

Arizona Municipal Water Users Association

3. Update on Salt River Project Water Supply System and Resiliency

Mr. Tenney introduced Bruce Hallin, Bob Pane, Charlie Ester and Dave Roberts from the Salt River Project (SRP) to give a presentation on SRP's groundwater resources and to share about the management and resiliency of their reservoir system.

Mr. Pane, the manager of groundwater resources at SRP, began by sharing SRP's wellfield statistics. SRP has had between 265 and 270 wells for the past decade. That number fluctuates based on well replacement and abandonments that happen. Wells are split up 50/50 between north side and south side operations. South side operations are in the east valley while the north side operations are in the west valley. The overall well field operates efficiently with a design capacity to pump about 600,000 acre feet and 1,000,000 acre feet a year. The majority of the wells are 60 years or older with a target life span of about 75 years total. Mr. Pane further shared the SRP annual pumping and average water level changes, well updates that happened post 2009, and SRP recharge operations.

Mr. Ester continued the presentation by sharing the Water Resources Planning Update focusing on surface water resources. SRP considers many variables including reservoir storage, water demand and synoptic scale patterns when planning for the Project Reservoir Operation Plan. He discussed planning guidelines from 1980 to the present and how SRP storage, groundwater pumping and water allotment planning works in accordance with SRP water demand. With the demand and pumping capacity where it is to date, SRP will be able to not only maintain, but enhance system reliability. Furthermore, SRP wants to focus on resilient watershed management, advancing their research to become leaders in understanding climate change for Arizona, and being able to deliver mostly surface water supply to the shareholder base. SRP will continue to manage their water portfolio to ensure reliable and sustainable water supply.

Mr. Ester stated that the Woodbury Fire may have caused speculation on how the fire would affect the water supply and guaranteed that there has been no runoff from the fire into the reservoir system to date. SRP has installed a water quality sampling device on Fish Creek above Canyon Lake to capture hyper-concentrated flow events. In addition, there is a water quality sampling program installed at the SRP reservoirs.

4. Presentation on Tempe's Advanced Metering Infrastructure Program

Mr. Tenney introduced Tarja Nummela, Customer Service Manager, from the City of Tempe to give a presentation on Tempe's AMI program.

Ms. Nummela prefaced her presentation by stating that customer services in Tempe took over the AMI projects because they were in charge of the meter readers and as those meters are what drive the financial backing, they wanted to ensure that the meters were running accurately and efficiently.

Ms. Nummela began the presentation with Tempe's Automated Meter Project overview. In 2015, the City of Tempe engaged SL-Serco, a consulting firm that works to guide utilities to implement and optimize solutions, through RFP consulting services. After Tempe selected a vendor and meter manufacturer, and with the City Council approval, the project began in December 2016. Installations have now been completed as of Summer 2019. All meter management is planned around Tempe's customer service billing procedures. Meter information that is scanned by the reader is automated and sent to their billing system in real time and all scanned information is managed from the city office.

Ms. Nummela explained the installation scheduling structure including their inventory control, testing and additional considerations such as weather and infrastructure issues. She further addressed the staffing procedures, the project positions for the project and their costs and budgeting per year since the project began.

Ms. Nummela shared the Tempe customer portal which provides customers with water usage information, leak notifications, and WaterSmart conservation recommendations. She reported that customers love the portal because it helps them be mindful of conserving water and alerts them of any irregular usage. Lastly, Ms. Nummela reported that with all the data they are receiving, especially data on leak detection, they are planning for the future with efficient business intelligence modeling.

Ms. Baumgardner reported that Tempe's customer portal coupled with their AMI technology has worked as a great internal tool because it has created valuable conversations with residents and customer service, putting the water conservation information in their hands.

Mr. Biesemeyer asked Ms. Nummela what the two hardest things Tempe had to overcome during the process. She responded that the coordination of inventory was difficult and the physical work of maintaining the meter lids with the boxes along with the change outs in the installations.

Mr. Tenney asked what the benefits of the project were for Tempe. Ms. Nummela explained that the results of the automated data showed them that there were customers who needed different meters to support their needs, were able to identify problems with meters easily and find solutions and find facilities without backflow so they could notify environmental services to address those needs.

Mr. Setovich asked if there were some customers who did not think the project was a good idea because of the real time automated data of water use. Ms. Nummela explained that she spoke with the City Attorney about whether customers should be able to opt out of the program. Tempe's customer service management decided that if everyone was to benefit from the AMI program, they should not have the option to opt out.

5. Water Loss Control Training and Technical Assistance Program

Mr. Tenney stated that AMWUA has members who are interested in moving beyond historic leak detection efforts to learning more advanced water loss control practices. Last fall, the Board endorsed an AMWUA proposal to seek funding from ADWR's Water Management Assistance Program to create a program to enhance existing water loss control efforts by equipping AMWUA members' utilities with the ability to implement the M36 methodology, including its more advanced practices.

In March, AMWUA presented its proposal to the Phoenix AMA Groundwater Users Advisory Council (GUAC). The GUAC agreed to recommend funding up to \$300,000 for a water loss control training and technical assistance program for large water providers. Mr. Tenney reported that AMWUA issued a request for qualifications from consultants to implement this program. AMWUA's selection panel reviewed three firms that submitted proposals and unanimously decided on Southwest Environmental Finance Center (SEFC) at the University of New Mexico. Mr. Tenney acknowledged Brett Fleck for putting together the request for qualifications and shepherding that process.

AMWUA will administer the contract with the funds coming from ADWR. Patrick Adams is working with SEFC to complete the contract, which will be for \$285,000. In addition, AMWUA is working with ADWR to complete the agreement to accept ADWR funds for the project. Both agreements will be presented to the AMWUA Board of Directors at their August 29th meeting.

Mr. Tenney stated that it is significant to recognize that AMWUA is getting more than a quarter million dollars from the State to help train members' utilities staff on advanced water loss technology. AMWUA anticipates the program to begin in October and will take up to 12 months. Mr. Tenney requested that the AMWUA Management Board recommend that the AMWUA Board of Directors support the water loss control training and technical assistance program by accepting the funding from ADWR and selecting SEFC as the consultant to conduct the training.

Mr. Biesemeyer asked for an outline of what the training program was going to look like as far as the purpose of sending our staff to specific classes. Mr. Tenney and Mr. Adams explained that there are three stages starting with orientation and that there will be a series of workshops where there will be a focus of more advanced training on different water loss measurement and validation techniques. Mr. Adams discussed how the consultant will provide direct assistance for each utility tailored to each utilities' specific needs. In addition, there will be an incorporation of metering and billing data to detect water loss.

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

support the water loss control training and technical assistance program by accepting the funding from ADWR and selecting Southwest Environmental Finance Center as the consultant to conduct the training.

6. ADWR Funding Agreement for Water – Use it Wisely Program

Mr. Tenney stated that Water – Use It Wisely is a long-standing messaging campaign to reinforce a conservation ethic throughout the region. This past year, Water – Use it Wisely increased its visibility and is partnering with a new advertising firm, HAPI. ADWR is committing \$50,000 this fiscal year and another \$50,000 next year from its Water Management Assistance Program to the Water – Use It Wisely Campaign. To simplify the transition, ADWR uses an IGA with AMWUA to move the funds to Water – Use It Wisely. Mr. Tenney requested a recommendation from the AMWUA Management Board to the AMWUA Board of Directors for formal acceptance of the \$50,000 in funding to increase visibility of the Water – Use It Wisely campaign.

Upon a motion by Mr. Setovich and a second by Mr. West, the AMWUA Management Board recommended that the AMWUA Board of Directors accepts the \$50,000 in funding to increase visibility of the Water – Use It Wisely campaign.

7. Governor’s Water Augmentation Innovation and Conservation Council and ADWR Management Plans

Mr. Tenney introduced Mr. Adams to give an overview on Arizona’s water initiatives that will generate many new opportunities and share what AMWUA is preparing for the coming fall.

Mr. Adams reported that the passage of the Drought Contingency Plan (DCP) has provided a bridge through 2026 for some Colorado River issues for the next few years. Because of this, stakeholders from around the state are refocusing their attention on Arizona issues through forums that are initiated through the Governor’s office and led by ADWR. In the near term, the state is working through the development and adoption of the 4th and 5th management plans which regulate water use in the AMA’s. The state is also looking into long term issues with the stakeholder process through the Governor’s Water Augmentation Innovation and Conservation Council (GWAICC).

Mr. Adams gave a brief overview on the AMA management plans. They were established in 1980 by the Groundwater Management Act. Each AMA has its own water management goal and management plan, intended to put policies in place that further those goals. Five management periods were established over five decades with the idea that the plans would be updated with continually increasing conservation requirements for the different water use sectors: municipal, industrial and agricultural. The plans and their increasing conservation requirements are meant to reduce groundwater withdrawals and drive each AMA forward towards its particular goal.

Mr. Adams reported that the 4th Management Plan (4MP) has not yet been completed and since the 4MP period is coming to an end, ADWR has made it a priority to complete the 4MP for the Phoenix AMA and to move on to the 5th Management Plan (5MP) in 2020. Because the timeline for the 4MP has been accelerated, ADWR is making some incremental changes including modifications to the municipal Non-Per-Capita Conservation Program and a proposed 90-acre cap for new turf related facilities including schools, parks and golf courses. Mr. Adams stated that AMWUA has submitted comments to ADWR for refinements to some of the changes and will continue to engage with ADWR as they respond to comments and complete the 4MP. Mr. Adams reported that ADWR's goal is to adopt the 4MP in the Summer of 2020.

Mr. Adams also reported that ADWR has begun work on the 5MP. ADWR has convened a work group to solicit feedback from stakeholders in every sector on the 5MP. The 5MP will cover the final management period from 2020-2025. The main goal for ADWR in this process is to evaluate the progress in each AMA, where they are in meeting their goal, and if they need to implement any new water management strategies. In addition, there will be technical subgroups for each water use sector as well as safe yield subgroups which ADWR plans to have focused on calculations and measurements of safe yield and for there to be increasing conservation requirements. Mr. Adams stated that as leaders in conservation and water efficiency, AMWUA intends to engage in processes, lend their expertise and use their experience to identify practical solutions to meet ADWR's goals, bringing updated developments to the AMWUA Management Board.

Mr. Adams reported that for the second initiative, the GWAICC, established in January 2019, superseded the former Governor's Water Augmentation Council (GWAC) and has begun to meet quarterly to continue investigating opportunities for augmentation, innovation and conservation to provide recommendations to the Governor. The GWAICC is made up of stakeholders from around the state, rural water users, Ag industries, tribe cities and legislators. Mr. Adams stressed the importance of engaging the decision makers on this council in a positive and productive way. There are four committees within the GWAICC: the Long Term Water Augmentation Committee, the Desalination Committee, the Non-AMA Groundwater Committee, and the AMA's Post Committee.

Mr. Adams shared the goals, status and a brief history of each committee. First, the Long Term Water Augmentation Committee identifies tools and opportunities that exist statewide for water augmentation. AMWUA has been engaged in this committee since its inception in 2017. Second, the Desalination Committee, meeting since 2016, evaluates brackish water desalination opportunities in Arizona and are currently reviewing expected cost, yield and implementation factors. Third, the Non-AMA Groundwater Committee started meeting on July 23rd of this year and is co-chaired by House Representative Gale Griffin and Jamie Kelly from Mohave County Water. The goal of this committee is to develop and understand groundwater issues exclusively in non-AMA areas and recommend solutions. The final committee is the AMA's Post 2025 Committee,

co-chaired by AMWUA and Tucson Water with a goal to identify water management challenges facing AMA's and generate strategic solutions for 2025 and what follows. They are currently working with ADWR to develop committee timelines and objectives.

Mr. Adams summarized his presentation by stating that the Management Plans will have an impact on water policy in the Phoenix AMA and are meant to have increasing conservation requirements. He also stated that the GWAICC may have significant long-term policy implications, as well as educating and influencing legislators. Both initiatives provide an opportunity for AMWUA to continue leading in Arizona water.

Mr. Tenney emphasized a few points that Mr. Adams made. He stated that each successive Management Plan will require more and because ADWR, legislators and residents are expecting more from the cities, AMWUA can engage in the Management Plan workgroups to identify ways to encourage greater efficiency and help ADWR come up with new solutions along with promoting more effective water management. Mr. Tenney also emphasized that the report from the Long Term Water Augmentation Committee was a three year effort to identify water augmentation options for Arizona's 22 planning areas and in addition to identifying three augmentation options, the report also points out ways to improve water efficiency, improve water management among willing parties, identify potential augmentation concepts, and note impediments to augmentation efforts. However, the reality is that the list of augmentation keeps narrowing. Mr. Tenney stated that Arizona has always been more successful when working with reality and that it will help everyone be more protective of the water supplies in the Valley. AMWUA will take advantage of the opportunities that the Management Plans and the GWAICC will offer to increase the effectiveness of State water policy and management.

Ms. Peters asked what outcomes or recommendations should be expected from the GWAICC this fall aside from the 4MP.

Mr. Tenney explained that fall is just a starting timeline and that the Post 2025 Committee will be having long discussions about working to develop solutions. ADWR is moving forward to complete the 4MP, and AMWUA will be engaged and working hard on the new 5MP process.

C. Management Board Members' Updates

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

Ms. Blackmore reported that Avondale's goal in the public works department is to increase communication with their residents, their economic development department, and with their council. Avondale has developed three things, which include increasing their social media presence; developing a new executive summary to allow their council and anyone who is

interested to be able to talk about the Avondale water portfolio; and continuing their Water Academy, a public course about the Avondale water and sewer systems.

Mr. Setovich reported that Goodyear has had some organizational changes in the public works department. Two deputy director positions were created: Barbara Chappel is the new director overseeing water services, and Christine Smith will be the director of public works.

Ms. Peters thanked AMWUA, specifically Mr. Tenney and Ms. Ward for their participation on the City of Phoenix Water Conservation Committee. She appreciated their hard work and the outcome of active and engaged participants, staff and residents on new approaches to water conservation.

D. Executive Director's Report

Mr. Tenney reported that AMWUA is expecting Reclamation to issue its 24-month study, which will determine if there will be a shortage or not as of January 2020. Arizona's wet winter and the great productive runoff resulted in Lake Mead teetering right at elevation 1090. With DCP in place, if the elevation is below 1090, the Colorado River system will officially be in a Tier 0 shortage and Arizona will not receive 192,000 acre-feet of its Colorado River appropriation. Mr. Tenney stated that there is no reason for concern since AMWUA has already voluntarily not been receiving 192,000 acre-feet for the last few years due to its system conservation efforts. A Tier 0 does not have any impact on the cities' allocations and AMWUA is going to continue to use the core messages in its regional shortage awareness campaign. AMWUA cities are prepared for Colorado River shortages, not meaning a shortage at the tap. If the elevation is above 1090, then the CAWCD Board needs to decide whether to continue conserving the 192,000 acre-feet in Lake Mead or use it as excess water. AMWUA has encouraged the CAWCD Board to have a robust policy discussion to consider what is best long-term for Arizona if the 192,000 acre-feet is available.

Mr. Tenney lastly reported that Ms. Carol Ward has resigned from AMWUA and has accepted a new opportunity at ADWR. Mr. Tenney stated that Ms. Ward's presence and impact will be missed, but that he is confident in the rest of AMWUA's team to absorb the responsibilities.

E. Future Agenda Items

No future agenda items were identified.

F. Adjournment

Mr. Knudson adjourned the meeting at 11:21 a.m.