

BOARD OF DIRECTORS

MEETING MINUTES

September 28, 2017

VOTING MEMBERS PRESENT

Councilwoman Thelda Williams, President, Phoenix
Councilmember Eddie Cook, Gilbert
Councilmember Pat Dennis, Avondale
Councilmember Lauren Kuby, Tempe, via teleconference
Mayor Jim Lane, Scottsdale
Councilmember Joanne Osborne, Goodyear
Councilmember Bart Turner, Glendale

VOTING MEMBERS NOT PRESENT – EXCUSED

Mayor Cathy Carlat, Peoria
Councilmember René Lopez, Chandler
Councilmember Kevin Thompson, Mesa

OTHERS PRESENT

Mitch Basefsky, CAP	Ryan Lee, Glendale
Cindy Blackmore, Avondale	Brad Lundahl, Scottsdale
Rob Bohr, Goodyear	Haley Paul, Gilbert
Cynthia Campbell, Phoenix	Brian Payne, AMWUA
Gregg Capps, Chandler	Stuart Peckham, SRP
Kathy Ferris, AMWUA	Jessica Perry, Goodyear
Brett Fleck, AMWUA	Diana Piña, AMWUA
Kathy Hidalgo, Phoenix	Kathy Rall, Scottsdale
David Iwanski, AZ Water	Javier Setovich, Goodyear
Lacey James, Avondale	Drew Swieczkowski, Glendale
Sam Jaskolski, AMWUA	Warren Tenney, AMWUA
Pat Kossan, AMWUA	Theresa Ulmer, Ulmer Consulting

A. Call to Order

Councilwoman Williams called the meeting to order at 11:17 a.m.

B. General Business – Items for Discussion and Possible Action

1. Approval of the Minutes from the August 31, 2017 Meeting

Upon a motion by Councilmember Turner and a second by Councilmember Cook, the AMWUA Board of Directors unanimously approved the minutes from the August 31, 2017 meeting.

2. Next meeting scheduled for Thursday, October 26, 2017, 11:00 a.m., at the AMWUA office

The order of the agenda was altered.

4. Water Quality Standards Proposal for Non-Project Water under the System Use Agreement

Mr. Tenney reported that two weeks ago, Brian Biesemeyer of Scottsdale, Troy Hayes of Phoenix, Sandy Elder of Tucson, and Mike Ploughe of the Salt River Project (SRP), and himself presented the complete proposal for water quality standards developed through AMWUA's Water Quality Group meetings to the Central Arizona Water Conservation District (CAWCD) Water Quality Task Force.

Mr. Payne shared a condensed version of the PowerPoint presentation given to CAWCD with the AMWUA Board of Directors. The proposal presentation highlighted the entities who participated in the consensus; what the proposal accomplishes and its principle and standard; the equity of the proposal; the six constituents looked at in the proposal and operational maximums, including "not-to-exceed" parameters that are currently being evaluated; additional protection measures; and the proposal's monitoring and oversight requirement. Mr. Payne also gave this presentation to the AMWUA Management Board at their September meeting.

Mr. Tenney said that the CAWCD Task Force and CAWCD staff expressed appreciation for the work that went into developing the proposal. He noted that the Task Force would like to see "not-to-exceed" numbers put in place, so AMWUA's Water Quality Group agreed to meet again to discuss. He stated that the Water Quality Group reconvened last week and discussed a concept that would provide rationale to setting those numbers. Mr. Tenney reported that the Water Quality Group is looking further into concepts, crunching the numbers, and if there is an agreement on a concept, will meet with CAWCD staff and further discuss the proposal. Mr. Tenney said facilitating these discussions has been challenging, yet rewarding, and much progress has been made.

Councilmember Dennis asked if SRP, who uses modeling in Salt and Verde River water, has "not-to-exceed" parameters in place. Mr. Tenney said SRP works without having these parameters because they focus on the water that is coming out of the system and keeping water quality within historical range and their model determines the discharge

level. She then asked to clarify if “not-to-exceed” parameters are just an additional safeguard that Southern Arizona wants. Mr. Tenney confirmed and said a lot of this issue has to do with public perception.

Mayor Lane asked if it would be more cost efficient to pay end users in the event that there is an exceeding amount of a constituent rather than invest in more treatment at all plants. Mr. Tenney said the focus of the discussion has been on the quality of the water when it is taken out of the canal. Mayor Lane said there are some places that require treatment before water is put in the canal; Mr. Tenney said he was correct. Mr. Tenney stated the approach was to come up with a system to look at each instance of non-project water being put into the canal on an individual basis.

Councilmember Osborne commented about the importance of the optics and education surrounding this issue. Mr. Tenney said to her point, the goal is to keep the water we receive at the same quality that has been historically received, which would maintain public trust.

Councilmember Turner asked if there has been any consideration of having a margin within the band of the historical limits so incoming water would not be at the top of the historical levels, particularly regarding turbidity and natural situations. Mr. Tenney said those concepts have been considered and the Central Arizona Project (CAP) would have the capability to turn it off if levels were high.

3. Governor’s Water Discussion

Mayor Lane, who serves on the Plenary Group, stated that the Governor’s Water Discussion meetings have been productive and continue to expand upon the conversation about water from a statewide point of view to develop responses to immediate and long term issues.

Mr. Tenney stated there have been no meetings of the Colorado River or Groundwater Work Groups in the last couple of weeks and AMWUA is watching to see how the Governor’s Office proceeds with developing these conceptual proposals into legislation. He said AMWUA continues to keep Mr. Aarons and Ms. Ulmer, AMWUA’s lobbyists, apprised of the Governor’s Water Discussion process. He noted that earlier this month, Mr. Aarons attended a meeting of lobbyists to discuss how the Governor’s Office plans to work with the Legislature and a follow-up meeting will occur.

Mr. Tenney reported that AMWUA has scheduled a meeting for its members’ InterGovs to give them an overview of the Governor’s Water Discussion and to talk about the proposals as well as discuss rumors about motive and process that have been attempting to shift the attention away from the issues. He said AMWUA staff has felt it is important to focus not on rumors but on specific proposals, and as directed by the

AMWUA Board of Directors, to stay engaged in the process to work to see what specific language is developed.

Councilmember Dennis asked what measures would need to be taken to ensure that all of the work done by stakeholders, ADWR, and the Governor's Office continues to be a focus into the future, regardless of the change of a department director or public office being held. Mr. Tenney said these proposals would make the responsibilities for the State very clear. He also noted that he is confident in this process and hopeful that the importance of Colorado River water and groundwater issues will be continued by any subsequent governor or legislature.

Councilmember Turner asked if there was any conflict between how rural and municipal Arizona look at the issues within the Governor's Water Discussion. Mr. Tenney said there are differing opinions from rural and municipal Arizona on some issues, such as monitoring and reporting wells. Ms. Ferris noted that there is not a unified position of rural versus urban, and there are some proposals that both rural and urban Arizona are supportive of.

Ms. Ulmer stated that the Governor's Office has started to reach out to legislators to make them aware of conceptual ideas before language is developed. She said this outreach is good news and appears to be bipartisan to ensure those in committee who will be seeing these bills are made aware. She also commented that she feels people are looking at the State as whole and this process has set the standard and tone that prioritizing water will not be easily undone.

C. Executive Director's Report

Mr. Tenney stated that CAWCD has an Excess Water Task Force, which is looking at excess water that becomes available during the year after water orders have been placed. He said excess water became a major issue earlier this year when the first iteration of DCP Plus was being discussed and still remains a point of discussion. He stated that the Excess Water Task Force is requesting proposals about how to manage intra-year excess water and AMWUA has discussed this with its Water Resources Advisory Group (WRAG) and plans to discuss this with the AMWUA Management Board. Mr. Tenney said AMWUA has invited CAWCD staff to meet with the WRAG next week to further discuss this issue and answer questions. He noted that at this point, we believe recommending better accounting of excess water is important, but feel we need to have a better understanding of how CAWCD currently manages this excess water before AMWUA could consider further proposals.

Mr. Tenney reported that the CAWCD Finance, Audit, and Power (FAP) Committee met on Tuesday to discuss updating its CAP Rate Setting Policy, which was last revised in 2010. He said this effort stems from Chairman Jim Holway wanting to have the Committee consider making the policy more current as well as provide guidance in annual rates setting, particularly in regards to capital charge and incentives for agricultural users. Mr. Tenney,

along with Grant Ward, whom was representing Pinal agricultural interests, sat down with the Committee to comment and ask questions throughout the presentation. Mr. Tenney reported that the primary message he conveyed was that property taxes should continue to be used in federal debt repayment rather than solely using capital charges, per the AMWUA Board of Directors' position. Prior to that meeting, Mr. Tenney sent the FAP Committee members a video recording with narration of AMWUA's PowerPoint on property taxes and the federal repayment, which was presented to the AMWUA Board earlier in the year. He said Committee members acknowledged appreciation for receiving that information.

Councilmember Osborne, Mayor Lane, Councilwoman Williams, and Mr. Tenney discussed AMWUA strategy and the pros and cons of AMWUA Board members attending public meetings, such as CAWCD FAP Committee meetings. Mr. Tenney said he would take note of the idea and think about when it would be most beneficial to have their presence. He also noted that having AMWUA Board members making calls to legislators is helpful.

Mr. Tenney stated that a nominating committee will be appointed next month for recommending the AMWUA Board of Directors officers for 2018. He noted that per the AMWUA Board's direction, he will be sending them a letter with more information on this process so those who qualify and are interested in being an officer may submit a letter that will be forwarded to the appointed nominating committee. Councilwoman Williams stated that she intends to chair the nominating committee.

D. Future Agenda Items

There were no requests for future agenda items.

E. Adjournment

Councilwoman Williams adjourned the meeting at 12:14 p.m.