

MANAGEMENT BOARD

MEETING MINUTES

April 11, 2018

VOTING MEMBERS PRESENT

Mr. Kevin Artz, Avondale, Chairman
Ms. Barbara Chappell for Mr. Javier Setovich, Goodyear
Mr. Alan Dulaney for Mr. Mike Weber, Peoria
Mr. John Knudson, Chandler
Mr. Craig Johnson, Glendale
Ms. Jessica Marlow, Gilbert
Ms. Karen Peters, Phoenix
Ms. Kathy Rall for Mr. Brian Biesemeyer, Scottsdale
Ms. Holly Rosenthal, Tempe
Mr. Jake West, Mesa

OTHERS PRESENT

Cindy Blackmore, Avondale	Lacey James, Avondale	Don Sehorn, DPS CPA
Jessica Blazina, Avondale	Sam Jaskolski, AMWUA	Richard Siegel, SRP
Eric Braun, Gilbert	Pat Kossan, AMWUA	Tony Staffaroni, CAP
Gregg Capps, Chandler	Frank Milam, Phoenix	Drew Swieczkowski, Glendale
Brian Draper, Mesa	Andrea Odegard-Begay, Garver	Warren Tenney, AMWUA
Kathy Ferris, AMWUA	Brian Payne, AMWUA	Carol Ward-Morris, AMWUA
Brett Fleck, AMWUA	Diana Piña, AMWUA	

A. Call to Order

Mr. Artz called the meeting to order at 10:03 a.m.

B. General Business – Items for Discussion and Possible Action

1. Approval of the Minutes from the March 14, 2018 Meeting

Upon a motion by Mr. Johnson and a second by Ms. Peters, the AMWUA Management Board unanimously approved the March 14, 2018 meeting minutes.

2. Next meeting scheduled: Wednesday, May 9, 2018, 10:00 a.m., in the AMWUA office

3. 2018 Legislative Update

Mr. Tenney stated that expectations for any significant water legislation to pass are low, particularly as the Legislature is currently focused on the budget and education issues.

Mr. Tenney reported that HB 2512 was heard in Senator Griffin's committee last month, while the twin omnibus water bill, SB 1507, failed to pass out of the Senate. He said the bill has been amended to include the following provisions: the Arizona Department of Water Resources (ADWR) is to develop a desolation action plan; ADWR is to notify legislators upon receiving an application to transfer water out of State; irrigation grandfathered rights can be used for containerized plants; set detailed criteria for ADWR to calculate the volume of extinguishment credits for extinguishing grandfathered rights in the Pinal Active Management Area (AMA); create one additional 10-year active management plan; place oversight of Natural Resource Conservation Districts to the State Department of Forestry; and county supervisors outside of an AMA to vote unanimously to not readopt the adequate water supply requirement.

Mr. Tenney stated that Legislative Council issued a legal opinion that the State's forbearance proposal would violate federal law. He said ADWR responded with its own legal opinion to explain that Legislative Council erroneously reached the wrong conclusion and outlined why the State's forbearance proposal is legal, including citing three times that the Legislature has already granted forbearance authority to the State.

Mr. Tenney reported that the Governor's Office and ADWR have made a last-minute push to address the Central Arizona Water Conservation District's (CAWCD) claim to sovereign immunity. He said the Yuma region is concerned about CAWCD's claim and is pushing for legislation that the State drafted; AMWUA has also voiced support for such legislation. Mr. Tenney noted that nothing definitive has occurred while waiting to see if the Legislature is willing to address this issue.

4. Update on Water Quality Standard for Non-Project Water

Mr. Tenney shared an overview on the status of the water quality standard for non-project water efforts. He reviewed a timeline of the stakeholder proposal process, an overview of the stakeholder proposal and the CAWCD staff proposal, as well as the points to resolve between the two proposals: equity and certainty versus flexibility; delivery standard versus introductory standard; modifying standards for small projects; Southern Arizona and Salt River Project (SRP)'s proposed project; and frequency of review standards. He said the next steps include another meeting among stakeholders, CAWCD, and the Bureau of Reclamation; CAWCD Task Force meeting(s); CAWCD Board recommendation; and the Bureau of Reclamation process and decision.

Mr. Knudson and Ms. Chappell discussed that the equity and certainty issue could be addressed by using the local limits template for evaluating new sources as they come

online, which is a national program that the cities utilize. They noted that the local limits template accounts for changes over time, surcharges, and permitting, to allow for regulation.

Mr. Tenney stated that much work has gone into the water quality standard efforts by the stakeholders involved. He said different perspectives have been a challenge in this process, particularly Southern Arizona's because, unlike the AMWUA cities, they have not had treatment plants and do not have that experience. He noted that there is a willingness to continue discussing and working on this issue, so AMWUA will continue forward. Mr. Tenney thanked the AMWUA staff and members' staffs for their expertise on this issue.

5. AMWUA Fiscal Year 2019 Preliminary Draft Budget

Mr. Tenney reported that the Fiscal Year 2019 preliminary draft budget shows an increase of \$48,748 from the current budget, which is a 3.61% increase. He noted that no carryover from the Fiscal Year 2018 budget is anticipated, which equates to a \$62,618, or 4.69%, increase for the total assessment of members. He said the preliminary draft budget included in the meeting packet, along with the information summary, detail and summarize each line item and note any changes from last year's budget.

Mr. Tenney stated that the final Fiscal Year 2019 budget will be presented to the AMWUA Management Board in May for consideration to recommend approval to the AMWUA Board of Directors.

There were no questions or comments raised.

C. **Board Members' Updates**

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

Chandler and Gilbert: Mr. Knudson and Ms. Marlow reported that the Santan Vista Water Treatment Plant, a recently brought online joint plant between the City of Chandler and the Town of Gilbert, is currently running 36 million gallons per day (mgd) with an ultimate capacity of 48 mgd. They said everything is running smoothly and the plant has been a great partnership.

Phoenix: Ms. Peters reported that the City of Phoenix's Water Services Director, Kathryn Sorensen, testified in Washington, DC last month before the Senate Committee on Energy and Natural Resources regarding the importance of infrastructure, particularly investing in it to ensure there is adequate infrastructure to deal with shortage.

D. Executive Director's Report

Mr. Tenney stated that Rod Lewis, CAWCD Board member, passed away yesterday. He said Mr. Lewis was an influential figure in Arizona water, including being instrumental in working for the Gila River Indian Community to negotiate the Arizona Water Settlements Act passage.

Mr. Tenney reported that CAWCD observed a spike in turbidity in the Bill Williams River during the US Army Corps of Engineers' Alamo Dam release; consequently, CAWCD shut down the Mark Wilmer Pumping Plant and used Lake Pleasant releases from March 16th-21st. He said other than a spike on March 27th at the Lake Pleasant Parkway, all other turbidity measurements at the five in-canal sampling sites have remained below 4 Nephelometric Turbidity Units (NTUs).

Mr. Tenney stated that CAP will hold its annual rate workshop tomorrow morning to review its proposed rate schedule. He added that CAP staff will also review its efforts to have a post-Navajo Generating Station (NGS) power portfolio ready for 2019 at the meeting.

Mr. Tenney noted that CAWCD will hold its first meeting of the Customer Service Task Force on April 19th. He said the CAWCD Board wants to consider ways to improve its relations with its subcontractors and other stakeholders as well as address concerns and criticisms that CAWCD has heard over the last ten months.

Mr. Tenney reported that SRP plans to hold a meeting on April 19th to review its communication message in response to the extra dry winter. He noted that in preparation, AMWUA revisited its message on drought that was developed a few years ago. He said AMWUA reviewed the message with the Conservation Committee and Water Resources Advisory Group (WRAG) and is ready to respond to any media inquiries.

Mr. Tenney noted that AMWUA is seeking input from its members about their interest level on receiving more information and possible training on non-revenue water loss as a follow-up to last month's webinar. He added that AMWUA is also gathering this information because ADWR has indicated a willingness to consider supporting technical training on non-revenue water loss in the AMA. He said if there is interest, the information from AMWUA's survey would be used to document the need for such training to gain funding support from ADWR.

Mr. Tenney stated that AZ Water Association is holding its annual conference May 2-4, 2018.

E. Future Agenda Items

There were no requests for future agenda items.

F. Adjournment

With no further items to discuss, upon a motion by Ms. Peters and a second, Mr. Artz unanimously adjourned the meeting at 10:44 a.m.