

MANAGEMENT BOARD

MEETING MINUTES

November 14, 2018

VOTING MEMBERS PRESENT

Mr. John Knudson, Chandler, Vice Chairman
Ms. Gretchen Baumgardner for Ms. Holly Rosenthal, Tempe
Mr. Brian Biesemeyer, Scottsdale
Mr. Eric Braun for Ms. Jessica Marlow, Gilbert
Mr. David Burks, Peoria
Mr. Craig Johnson, Glendale
Ms. Karen Peters, Phoenix
Mr. Javier Setovich, Goodyear
Mr. Jake West, Mesa

VOTING MEMBERS NOT PRESENT

Mr. Kevin Artz, Avondale, Chairman

OTHERS PRESENT

Patrick J. Adams, AMWUA	Sam Jaskolski, AMWUA
Erin Andres, Phoenix	Pat Kossan, AMWUA
Anthony Beckham, SRP	Jack Lundsford, The Lundsford Group for Buckeye
Ned L. Blum, CLA	Katosha Nakai, CAP
Gregg Capps, Chandler	Stuart Peckham, SRP
Brian Draper, Mesa	Diana Piña, AMWUA
Alan Dulaney, Peoria	Cape Powers, Peoria
Gretchen Erwin, Goodyear	Drew Swieczkowski, Glendale
Kathy Ferris, AMWUA	Warren Tenney, AMWUA
Lacey James, Avondale	Carol Ward-Morris, AMWUA

A. Call to Order

Mr. Knudson called the meeting to order at 10:00 a.m.

B. General Business – Items for Discussion and Possible Action

1. Approval of the Minutes from the October 10, 2018 Meeting

Upon a motion by Mr. Johnson and a second by Mr. Setovich, the AMWUA Management Board unanimously approved the October 10, 2018 meeting minutes.

2. Next meeting scheduled: Wednesday, December 12, 2018, 10:00 a.m., in the AMWUA office

3. Status of Lower Basin Drought Contingency Plan and DCP Steering Committee

Mr. Tenney shared an update on the Lower Basin Drought Contingency Plan (DCP). He reviewed a graphic displaying projected increased impacts to Non-Indian Agriculture (NIA) priority water under DCP with updated Central Arizona Project (CAP) delivery volumes. He explained that the increased impact to NIA water under DCP has made the Tribes and cities more protective of their water supplies when discussing mitigation for agriculture. He said the updated projections have implications for mitigating Ag as well. Mr. Tenney then shared a graphic displaying the difference of delivery volumes to each type of priority water between DCP and the 2007 Guidelines with updated CAP delivery volumes.

Mr. Tenney reported that in response to the current DCP proposals and to Ag's position, the Gila River Indian Community (GRIC) issued a letter stating that not only are the cuts to NIA users such as cities and the GRIC worse, the current mitigation proposals would leave agricultural users better off than they would have been under the current 2007 Interim Guidelines. He said the GRIC argue that all users should equally share in the burdens of DCP, which has been their position throughout this process. He noted that the GRIC spoke against taking water out of Lake Mead for Ag mitigation, which AMWUA has also stated, because it undermines the effectiveness of DCP's attempt to protect the Lake.

Mr. Tenney stated that no DCP Steering Committee meetings have been held since October 10th as smaller groups have been working to find solutions. He reported two other positions that have been discussed: 1) Yuma area Colorado River water users consider mitigation efforts using System Conservation to be transferring water to Central Arizona and therefore unacceptable; 2) Colorado River Indian Tribes have offered to provide wet water for mitigation annually for three years at a set per acre-foot price.

Mr. Tenney said a special meeting of the CAP Board will be held tomorrow and it is anticipated that a short-term proposal will come from this meeting. AMWUA will be in attendance.

Mr. Tenney reported that Governor Ducey published an op-ed piece in the *Arizona Capitol Times* in which he emphasized the importance of getting DCP done, conserving water to raise and protect Lake Mead, preserving long-term resources into the future, and

balancing individual interests with interests of the State as a whole. Governor Ducey also expressed concern for creating a precedent for shortage mitigation that is unsustainable.

Mr. Tenney stated that at its October 25th meeting, the AMWUA Board of Directors approved sending a letter to the DCP Steering Committee voicing its opinion that DCP is important to protect the Colorado River System and Arizona's economy and that implementation needs to be done in a way that strengthens, not weakens, Arizona's long-term water management.

Mr. Setovich and Mr. Tenney noted that Pinal Ag is not running out of water; it will have to utilize its groundwater rights rather than Colorado River water.

Mr. Braun, Mr. Tenney, Mr. Knudson, Mr. Setovich, and Mr. Biesemeyer discussed the need for infrastructure investment in Pinal County to tap into its groundwater resources as well as potential explanations for why Pinal Ag has been hesitant to support such an effort.

Ms. Ferris noted that on tomorrow's agenda for the special CAP Board meeting, authority to sign on to the DCP will be discussed. She stated her opinion that ADWR is the sole entity responsible for signing interstate agreements.

4. [Recovery Implementation Planning](#)

Mr. Tenney shared a presentation on the Recovery Planning Advisory Group's (RPAG) progress towards clarifying the *2014 Joint Recovery Plan* with a focus on implementation. He stated that this process began January 17, 2018, and seven meetings have been held thus far with a completion goal of December 2019. He then reviewed the progress that AMWUA has made towards these efforts since June.

Mr. Tenney reported that AMWUA, with partnering input, has created a Municipal and Industrial (M&I) Implementation Proposal that explores short-term recovery, potential statutory/legal changes necessary for implementation, and long-term recovery. He said this proposal will be submitted to the coordinating agencies for discussion at the next RPAG meeting, to be held November 26th. He stated that future RPAG meetings will focus on working through priority issues with emphasis on converting assumptions into legally enforceable commitments.

Ms. Peters, Mr. Tenney, and Mr. Knudson discussed the importance of potential funding sources for future recovery infrastructure investments and potential implications on municipal rates.

Mr. Biesemeyer, Mr. Tenney, Ms. Ferris, and Mr. Knudson discussed long- and short-term recovery, credits, wet water, and necessary statutory changes.

5. AMWUA Quarterly Financial Statements – First Quarter

Mr. Tenney reported that AMWUA's financial statements for the first quarter of Fiscal Year 2019 show that AMWUA's year-to-date actual is under budget by \$11,229.00, though the reasoning is primarily due to timing of when expenditures will occur.

In response to a clarifying question from Mr. Biesemeyer, Mr. Tenney stated AMWUA anticipates spending all of its budget this year, especially due to AMWUA's new Communications Specialist position being filled.

Upon a motion by Mr. Biesemeyer and a second by Mr. Johnson, the AMWUA Management Board unanimously recommended that the AMWUA Board of Directors accept the first quarter financial statements as presented.

6. Nominating Committee for Chair and Vice-Chair

On behalf of Mr. Artz, Mr. Knudson reported that Mr. Artz appointed himself, Mr. Biesemeyer, and Ms. Peters to the nominating committee to recommend a 2019 slate for AMWUA Management Board Chair and Vice-Chair. Mr. Knudson requested that anyone interested in serving as Chair or Vice-Chair next year should contact the nominating committee.

C. **Management Board Members' Updates**

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

Chandler: Mr. Knudson reported that the City of Chandler received a 2018 Best Projects Award for the Southwest Region from Engineering News-Record (ENR) for the wastewater treatment capacity expansion of the City's Ocotillo Water Reclamation Facility. He also reported that Mr. Kim Neill, Utility Operations Manager, with the help of consultants, was able to achieve his goal of getting the Chandler Airport Water Reclamation Facility re-rated from 22 million gallons per day (mgd) to 27 mgd. He said the Ocotillo Water Reclamation Facility will also be re-rated to increase capacity by 2.5 mgd. Mr. Knudson said these re-rates are basically at no cost and are worth \$200 million in benefits to the City.

Mesa: Mr. West reported that the City of Mesa will be hosting a ribbon cutting event for its Signal Butte Water Treatment Plant, which has been operational since June.

Scottsdale: Mr. Biesemeyer stated that the City of Scottsdale celebrated the 20th anniversary of its Water Campus in October.

D. Executive Director's Report

Mr. Tenney reported that President Trump signed America's Water Infrastructure Act of 2018, which authorized the Environmental Protection Agency's WaterSense program. He thanked the Alliance for Water Efficiency, AMWUA staff, and AMWUA members for all of the work put into efforts to authorize WaterSense.

Mr. Tenney stated that the AMWUA Board of Directors approved AMWUA's new Communications Specialist position and the job has been posted.

Mr. Tenney reported that AMWUA staff has been working closely with its members' intergov staffs on DCP and in preparation for next year's legislative session. Ms. Peters noted the importance of continuing our efforts at the Legislature to identify, educate, and nurture urban water leadership.

E. Future Agenda Items

There were no requests for future agenda items.

F. Adjournment

Upon a motion by Mr. Biesemeyer and a second, Mr. Knudson unanimously adjourned the meeting at 10:56 a.m.