



Public Notice Pursuant to A.R.S. § 38-431.02

**ARIZONA MUNICIPAL WATER USERS ASSOCIATION
MANAGEMENT BOARD**

MEETING NOTICE AND AGENDA

Wednesday, June 13, 2018 – 10:00 a.m.

**Arizona Municipal Water Users Association
Board Conference Room
3003 North Central Avenue, Suite 1550
Phoenix, Arizona 85012**

A. Call to Order

B. General Business—Items for Discussion and Possible Action

1. Approval of the Minutes from the May 9, 2018 Meeting
2. Schedule Next Meeting Date: Wednesday, August 8, 2018, 10:00 a.m.
3. Recovery Implementation Planning
4. Contract for the Redevelopment and Redesign of the Smartscape Website and Database

C. Management Board Members' Updates

D. Executive Director's Report

E. Future Agenda Items

F. Adjournment

*The order of the agenda may be altered or changed by the AMWUA Management Board.

More information about AMWUA public meetings is available in the AMWUA office, online at www.amwua.org/what-we-do/public-meetings, or by request.

Arizona Municipal Water Users Association

MANAGEMENT BOARD

MEETING MINUTES

May 9, 2018

VOTING MEMBERS PRESENT

Mr. Kevin Artz, Avondale, Chairman
Mr. Brian Biesemeyer, Scottsdale
Ms. Cynthia Campbell for Ms. Karen Peters, Phoenix
Mr. John Knudson, Chandler
Mr. Craig Johnson, Glendale
Ms. Jessica Marlow, Gilbert
Mr. David McNeil for Ms. Holly Rosenthal, Tempe
Mr. Javier Setovich, Goodyear
Mr. Mike Weber, Peoria
Mr. Jake West, Mesa

OTHERS PRESENT

Barry Aarons, The Aarons Co.	Kathy Ferris, AMWUA	Kathy Rall, Scottsdale
Cindy Blackmore, Avondale	Lacey James, Avondale	Don Sehorn, DPS CPA
Jessica Blazina, Avondale	Sam Jaskolski, AMWUA	Tony Staffaroni, CAP
Eric Braun, Gilbert	Pat Kossan, AMWUA	Drew Swieczkowski, Glendale
Gregg Capps, Chandler	Frank Milam, Phoenix	Warren Tenney, AMWUA
Brian Draper, Mesa	Brian Payne, AMWUA	Theresa Ulmer, Ulmer Consulting
Alan Dulaney, Peoria	Stuart Peckham, SRP	Carol Ward-Morris, AMWUA

A. Call to Order

Mr. Artz 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 April 11, 2018 Meeting

Upon a motion by Mr. Johnson and a second by Mr. Biesemeyer, the AMWUA Management Board unanimously approved the April 11, 2018 meeting minutes.

2. Next meeting scheduled: Wednesday, June 13, 2018, 10:00 a.m., in the AMWUA office

3. 2018 Legislative Update

Mr. Tenney stated that the 2018 Legislative Session ended last week. He said during the session there was a lot of talk about water, but no water legislation of significance passed. He noted that AMWUA took a defensive position as legislators showed little concern for Colorado River issues. He reported that the Fiscal Year 2019 budget appropriated nearly \$16 million for the Arizona Department of Water Resources (ADWR) and 139 full-time employees. He also said the Water Quality Assurance Revolving Fund (WQARF) is planned to receive \$15.5 million.

Mr. Tenney reported that external pressures have put attention on Colorado River issues. He said the Upper Basin states wrote a letter to the Central Arizona Water Conservation District (CAWCD) addressing their concerns with CAWCD's statements and messaging. He added that similar concerns were expressed in a meeting of the Lower Basin states and the Bureau of Reclamation. He noted that other Basin states highlighted that Arizona's internal conflicts are preventing the Drought Contingency Plan (DCP) from moving forward, which is critical for the long-term health of the Colorado River system.

Mr. Tenney stated that the fundamental concern is that ADWR and CAWCD are not coordinated, sending mixed messages to the Legislature and other states. He said events over the last few weeks have made it clear that ADWR needs to take the lead on Colorado River issues and speak as one voice for Arizona. He reported positive news that last week: ADWR and CAWCD released a joint statement that they "are committed to bringing DCP to closure in Arizona by addressing a broad range of issues that respect the concerns of all stakeholders across the State. The discussions between ADWR and CAWCD are only the first step in a process that will expand to include participation by stakeholders."

Mr. Tenney noted that AMWUA is already strategizing with Mr. Aarons and Ms. Ulmer on 2019 legislative efforts including working to build a coalition for support on AMWUA's priority issues, especially the 2025 sunset, and educating urban legislators on the importance of water.

Mr. Aarons and Ms. Ulmer discussed the 2018 legislative session. Mr. Aarons agreed that next legislative session Arizona needs to speak with one voice on water issues. Ms. Ulmer thanked Ms. Campbell, Mr. Tenney, Mr. Aarons, and the cities' intergov staffs for their efforts to communicate and educate legislators this session. Mr. Aarons emphasized the importance of educating legislative candidates on water issues that impact their citizens.

4. Presentation about Agreement between City of Peoria and the Arizona Water Banking Authority

Mr. Dulaney shared a presentation on the City of Peoria-Arizona Water Banking Authority (AWBA) agreement for long-term storage credits (LTSCs). He explained that after discussions in 2017, Peoria and AWBA came to an agreement for 6,500 acre-feet/year, in

which Peoria stores the water; AWBA reimburses Peoria for the cost of storage, including capital charges; and Peoria transfers the LTSCs to AWBA. Mr. Dulaney noted that this agreement is mutually beneficial to the parties for several reasons: AWBA acquires additional LTSCs for firming purposes in Maricopa County, Peoria saves money on capital charges assessed against excess water that is never delivered, and the physical water is stored in the Northwest Valley. Mr. Dulaney reported that this agreement is active from 2018 to 2022, during which Peoria could save \$1.9 million over the life of the agreement.

5. [AMWUA Financial Statements through Third Quarter Ending March 2018](#)

Mr. Tenney reported that as of the third quarter of the fiscal year, AMWUA is showing a year-to-date actual of \$14,395 less than the year-to-date budget. He said it is still anticipated that AMWUA will complete this fiscal year on budget with no carryover.

Mr. Tenney noted that AMWUA has conducted a competitive process to select a new financial and accounting consultant due to Don Sehorn having decided to conclude his consultant work with AMWUA at the end of the fiscal year. He said that last month, AMWUA held interviews with a panel that included Kevin Artz, Avondale's Assistant City Manager and Chair of the AMWUA Management Board; Gina Kirklin, Scottsdale's Enterprise and Finance Director; Don Sehorn, AMWUA's Finance and Accounting Consultant; Diana Piña, AMWUA's Office Manager; and himself. Mr. Tenney reported that the panel will be recommending to the AMWUA Board of Directors that AMWUA enter into an agreement with the firm CliftonLarsonAllen to perform the Association's financial and accounting services.

There were no questions or comments raised.

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

6. [AMWUA Fiscal Year 2019 Draft Budget](#)

Mr. Tenney stated that last month the Fiscal Year 2019 preliminary draft budget was presented to the AMWUA Management Board and Board of Directors. He 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 said there is no anticipated carryover from the Fiscal Year 2018, which equates to a \$62,618, or 4.69%, increase for the total assessment to members. There were no questions or comments raised.

Upon a motion by Mr. Weber and a second by Mr. Setovich, the AMWUA Management Board unanimously recommended that the AMWUA Board of Directors adopt the draft Fiscal Year 2019 budget as presented.

C. Management Board Members' Updates

There were no member updates shared.

D. Executive Director's Report

Mr. Tenney reported that on Monday, the AMWUA-facilitated Water Quality Stakeholder group met with CAWCD staff and Reclamation staff and there was a breakthrough that will allow the process to move forward. He explained that it was agreed upon to use the Central Arizona Project's (CAP) proposal as the framework with key changes added, including: water quality standards would be reviewed every five years, CAP would pursue a more robust water quality monitoring program, groundwater projects would be allowed to have startup changing water quality per the monitoring, and Scottsdale's project will start so experience can be gained. He noted that the delivery standards will remain as proposed by the stakeholders while some introductory standards will change, including arsenic, nitrate, and total dissolved solids (TDS). He said it is anticipated that this will be presented as a consensus proposal to the Water Quality Task Force at tomorrow's meeting with the knowledge that additional work will need to be done to flesh out the proposal.

Mr. Tenney reported that AMWUA is discussing with the Water Resources Advisory Group to develop fundamental principles that would be critical for a recovery implementation plan. He said working with ADWR and CAP on a recovery plan is a key part of AMWUA's recently adopted Annual Action Plan.

Mr. Tenney stated that the CAWCD Customer Service Task Force meeting will be held on May 17th at 2:00 p.m.

Mr. Tenney noted that in addition to the agreement for Finance and Accounting Services, AMWUA will be bringing two other agreements to the AMWUA Board of Directors: one to renew lobbying services with The Aarons Company and another to extend communication services with Pat Kossan.

E. Future Agenda Items

There were no requests for future agenda items.

F. Adjournment

With no further items to discuss, upon a motion by Mr. Biesemeyer and a second by Mr. West, Mr. Artz unanimously adjourned the meeting at 10:41 a.m.

MANAGEMENT BOARD

INFORMATION SUMMARY

June 13, 2018

Recovery Implementation Planning

ANNUAL PLAN REFERENCE

Recovery Implementation Plan

Strategic Plan: Objectives – Prepare for Impacts of Drought & Shortage; Collaboration – Arizona Department of Water Resources, Central Arizona Project, Arizona Water Banking Authority

Actions:

- Represent AMWUA interests in the ADWR-led Recovery Planning Advisory Group to complete a recovery implementation plan for M&I water firmed by the AWBA.
- Ensure the outstanding issues identified in AMWUA's recovery analysis are adequately answered.
- Facilitate discussion among our members to develop proposals to contribute to a complete plan.

SUMMARY

In 2014, the Arizona Water Banking Authority (AWBA), Arizona Department of Water Resources (ADWR) and Central Arizona Water Conservation District (CAWCD) issued the Joint Recovery Plan for water stored by the AWBA. The joint recovery plan provides a framework for how recovery of stored water could occur to firm M&I subcontracts. In 2016, AMWUA completed an analysis of key issues that needed to be addressed to implement the recovery plan.

Since projections are showing increased probability of shortages impacting municipalities, ADWR, AWBA, and CAWCD have jointly convened the Recovery Planning Advisory Group (RPAG). The objective of the group is to update, refine, and add detail to the 2014 Joint Recovery Plan so that it is ready to be implemented. To date, three meetings have been held. The goal is to have a completed plan by the end of 2018.

AMWUA, along with Phoenix and Mesa, have been asked to participate on the RPAG. At the request of ADWR, AMWUA staff worked with the Water Resources Advisory Group to generate a list of foundational principles, presented below. The list represents a set of underlying principles that AMWUA members believe should be the basis for any recovery solution. The list was well received and discussed, along with proposals from other stakeholders, at the most recent meeting in May.

AMWUA Water Resources Advisory Group's Foundational Principles for Recovery Implementation Planning:

1. AMWUA members support a conservative approach to modeling shortage timing and volumes to ensure CAWCD is prepared to firm with wet water.
2. M&I subcontractors will all be firmed by the same percentage amount i.e., pro rata.
3. CAWCD will firm all cuts to M&I subcontract orders, up to 20%, with direct delivery whenever possible.
4. At the request of any M&I subcontractor, long-term storage credits (LTSCs) from AWBA will be distributed in lieu of wet water.
5. AMWUA members will pursue, among themselves and with other subcontractors, firming related exchanges and agreements involving AWBA credits as allowed under current law. For planning purposes, CAWCD will be notified of such agreements. (See attachment).
6. Those receiving recovered wet water will contribute to the cost of providing the recovered wet water and the costs allocated in a manner proportionate to the benefit they receive.
7. Property tax revenues shall contribute materially to the physical recovery of wet water originally stored with property tax revenues.
8. CAWCD will pursue early investment into recovery infrastructure to ensure the availability of firmed wet water during shortage.

AMWUA staff will give a presentation about the recovery implementation effort including what are anticipated to be the next steps in this process.

RECOMMENDATION

The AMWUA Management Board is encouraged to ask questions about the Recovery Planning Advisory Group, the foundational principles, and any other aspect about recovery implementation.

MANAGEMENT BOARD

INFORMATION SUMMARY

June 13, 2018

Contract for the Redevelopment and Redesign of the Smartscape Website and Database

ANNUAL PLAN REFERENCE

Demand Management & Sustainability

Strategic Plan: Objectives – Prepare for Impacts of Drought & Shortage, Augment Supplies, Interconnect Disciplines

Action:

- Develop a comprehensive website to administer and promote the Smartscape Program in Maricopa and Pima counties, working in partnership with Tucson Water, the University of Arizona, and ADWR.

SUMMARY

Overview & Background

Smartscape is a comprehensive, research-based training program that instructs landscape professionals in the fundamentals of design, installation, irrigation, and maintenance of low-water-use landscapes. The program was developed collaboratively by AMWUA, the Arizona Landscape Contractors Association, the Arizona Nursery Association, Tucson Water, the University of Arizona Cooperative Extension, and industry representatives. Smartscape was launched in both the Phoenix and Tucson areas in 1994 to increase landscape water efficiency in Arizona’s urban corridor and has remained a high priority for AMWUA’s Conservation Committee.

The Smartscape.org website is a critical component of the program. It serves two audiences—landscape professionals and the public—for several purposes:

1. Provide information on upcoming Smartscape training and registration as well as other training opportunities and resources for landscape professionals.
2. Promote the value of training and certification to landscape professionals.
3. Promote the value of hiring trained, certified landscape professionals to residents and businesses.
4. Specifically promote graduates of the Smartscape program and enable consumers to contact those available for hire.

5. Enable program staff statewide to manage the registration, attendance, and contact information for current and past participants.
6. Influence the culture of, and expectations for, landscape design and maintenance.

The current Smartscape website and database are outdated, increasingly problematic to maintain, and not user friendly to program coordinators, students, and the public. The project will consolidate the online management of the Smartscape program across Maricopa and Pima counties and improve the efficiency of program administration. It will promote a comprehensive, cohesive message and increase program recognition, efficiency, and conversations about the importance of low-water-use landscapes. Redeveloping the Smartscape website and database has been recognized as a key initiative for next fiscal year by AMWUA's Conservation Committee.

Proposal

This spring, AMWUA staff distributed a request for proposals (RFP) to potential website development contractors. The RFP detailed the project requirements to redesign and redevelop the Maricopa County Smartscape website and database and incorporate the Pima County Smartscape Program as well as define core branding and messaging for the purpose of the website and for marketing the Smartscape program to landscape professionals, residents, and consumers in both counties. It was also noted that proposals should be fiscally responsible for a non-profit association.

A stakeholder committee of AMWUA staff, AMWUA member staffs, Tucson Water staff, and Maricopa and Pima counties Smartscape Program staffs reviewed and ranked the eight proposals received. Based on the committee's recommendation, AMWUA staff has selected the firm Ackmann & Dickenson (A&D) to redevelop and redesign the Smartscape.org website and database.

A&D presented a sound process description, clear understanding of the project scope and project timeline, and excellent examples of previous work that would lend well to the Smartscape.org project. Staff was particularly impressed by A&D's thorough follow-up and communication, clear terms of agreement, and fixed-bid pricing that serves as a cost control method. A&D demonstrated a strong understanding of AMWUA's expectation for a practical, economical website that can be easily maintained and built upon.

Estimated Cost & Funding

The estimated cost for this project is \$90,000. \$60,000 has been designated evenly between AMWUA's Regional Conservation Program Fiscal Year 2018 and Fiscal Year 2019 budgets. Tucson Water has committed to contribute one-third of the cost of the project, not to exceed \$30,000, in Fiscal Year 2019 funds.

RECOMMENDATION

Staff requests that the AMWUA Management Board recommend to the AMWUA Board of Directors to approve the Executive Director to enter into a contract with Ackmann & Dickenson for the redevelopment and redesign of the Smartscape website and database at a cost not to exceed \$90,000.