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West Valley CAP Subcontractors

WEST VALLEY CAP SUBCONTRACTORS MANAGEMENT COMMITTEE MEETING

Summary of the January 19, 2017 Management Committee Meeting held at City of Glendale Oasis Water Campus, 7070 W Northern Avenue, Glendale.

MANAGEMENT COMMITTEE MEMBERS PRESENT

Chair Doug Kupel, City of Glendale
Alan Dulaney for Vice-Chair Mike Weber,
City of Peoria
Fred Schneider, Arizona Water Co
Lacey James for Cindy Blackmore, City of
Avondale

Mark Seamans for Roger Klingler, City of
Buckeye
Nick Russo for Jim Shano, City of El Mirage
Javier Setovich, City of Goodyear
Terry Lowe, City of Surprise
Troy Day, EPCOR

PLANNING COMMITTEE MEMBERS PRESENT

Chair Drew Swieczkowski, City of Glendale
Vice-Chair Mark Holmes, City of Goodyear

Jake Lenderking, EPCOR
Ron Whittler, City of Buckeye

OTHERS PRESENT

Stuart Peckham, SRP
Gary Gin, City of Phoenix

John Rasmussen, Reclamation

1. Call to Order
The meeting was called to order at approximately 1:31 pm by Chairman Doug Kupel.
2. Approval of Minutes
Doug Kupel asked for any comments on the meeting notes from the September 22, 2016 Management Committee meeting. Terry Lowe moved that the meeting notes be approved as written, and Javier Setovich seconded the motion. The motion carried unanimously.
3. Planning Committee Report:
Mark Holmes provided the Planning Committee update. The CAP:SAM final draft has been released for review and feedback on the scenarios regarding the supply and demand for each city. The city teams are reviewing this information and will discuss in further detail at the January 30th Modeling Committee meeting. Mark reminded everyone that the cities need to review the data for reconciliation, and finalize so that the modeling committee can move forward. Next, Mark shared that the final scope regarding the economic analysis will need to address water for build out and water for shortages.

Mark also provided an update on the strategic plan efforts, saying that each of the three teams are meeting and working as sub-committees to bring draft documents to the management committee, with the objective to move forward.

Executive Director's Report:

Teresa stated that the CAP: SAM information was emailed out to everyone and is also available on the WESTCAPS website. Next, Teresa shared that today the management committee will hear from one of the sub-committees regarding a new logo and the funds required to create it. Teresa reminded the committee that the present chairman and vice chairman for the management and planning committees will remain in place for the 2017 year, as agreed during the last Chair/Vice-Chair election. Teresa hopes the management committee feels involved and to let her know if they would like more involvement.

Doug Kupel replied that he feels there has been good work on the study/model, he feels involved and has no criticism. Next, Teresa said that the legal folks are going to meet regarding the 501(c)4 organization to review the by-laws and send them back out for final approval. Troy Day asked for clarification on what the meeting was for because he felt the approval was already given and if the legal people are not responding to the meeting request, that may indicate they are okay with the information. Doug shared that the management committee had agreed on the by-laws, but that for the cities to join, their respective legal departments need to review the documents. Teresa added that this is necessary to make sure that, after all this work, there are no details which would prevent or preclude a current member from becoming part of the new organization.

Mark added that some cities need to bring this document back to councils and Alan Dulaney added that if we are seeking signatory authority and legal doesn't bless it, it will be a "no go". Troy said that it has been over two years now. Alan suggested having the management committee help expedite it, and may need to copy them on all legal related emails. Alan suggested a target date of June 30th to get the issue on the city council agendas. Mark reminded all that once it is finalized, it will still have to go through the IRS to create a tax ID and filing with the ACC, which will all add time. Doug said that the goal will be to have it reviewed by the attorneys and the management committee by fiscal year end. Teresa will resend email invite for the legal meeting to include management committee, and if legal departments have already given their okay, to please respond.

Treasurer's Report:

Jake Lenderking distributed a report reflecting WESTCAPS income, expenses, net income, and account reserves from 2017 through 2022. Jake shared that the account looks good, with a balance of \$32K.

4. BOR Report:

John Rasmussen provided the Basin Study update, along with a handout that listed the four key segments of the basin study, along with the beginning of a timeline for the planning committee to keep the team on schedule. Each segment has listed a projected completion date. The final basin study report is due by June 30, 2018. Next, John shared graph reports from Ken Seasholes, and explained the results of each report. There are reports for each provider, and John has a full set available for review, which have also been sent out via email, and the information is also on the WESTCAPS website. Gary Gin asked, regarding key segment 3 (Development of adaptation and mitigation strategies to meet current and future water demands), the fact is that modeling runs are not included in that analysis, so how do we put together an analysis of adaptation and mitigation? We know what the results are, but do not have anything to

model, so how will we achieve that? John said we do not have a contract with Southwest Groundwater to do that, but the Denver folks assured us that they can run the model for us, even though they analyze the data a little differently.

Teresa asked if it's possible for Reclamation's modelers to begin calibrating their model so it will be a smooth flow from one modeler to the next, and John replied that they will get a calibrated model from Southwest Groundwater. Gary stated his concern is not the calibration, but the roadmap and the mechanics of the database and how the database is integrated into the groundwater model. That transition has to happen to include the inputs and outputs to be tracked in order for the analysis to happen and it needs to happen before the contract expires. John said that the climate change people are already providing data sets and are communicating.

Mark asked if we know the timing is for additional money after the basin study expires, and shared that Gretchen Erwin, who sits on the modeling committee, was asking what the mitigation runs look like, and what the costs are involved in the runs. Mark is thankful for CAP's time and efforts so far, and asked if we should reach out to ADWR. Teresa stated that we've kept them involved and Hugo Perea with ADWR typically joins us, and we will reach out again because they benefit as well.

5. Approval of 2017 Budget: During a previous management committee meeting, the Planning Committee stated they would put together a budget for consideration by the Management Committee. Expenses include payments to the Director and some small expenses. There is a \$15K carryover, and all appears to be okay for years to come. Troy Day moved to keep WESTCAPS membership dues at \$3,200 for the fiscal year and to approve the budget as presented. Fred Schneider seconded the motion. The motion carried unanimously. Alan added that ten years ago, WESTCAPS dues were \$4,000 and we've dropped to \$3,200 when the recession hit, so we are paying bargain recession rates.

6. Strategic Planning Reports:

Consideration of Name Change for WESTCAPS: Teresa shared that Team 1 would like the Management Committee to consider changing the organization's name and introduced Team 1 Leader, Lacey James, to provide information. Lacey stated they'd like the Management Committee to consider changing the name of the organization to West Valley Water Association. Comments from Troy Day were that a name change is not a big deal, but that we should spend time on more productive things.

Finally, Lacey James, acting as Management Committee designee on behalf of Cindy Blackmore, moved to change the name of WESTCAPS to the West Valley Water Association. Alan Dulaney, acting as Management Committee designee on behalf of Mike Weber, seconded the motion. Chairman Kupel asked for any discussion and stated the city council can use "formerly known as WESTCAPS" when discussing the organization initially, to minimize confusion. Javier Setovich said that councils are well informed and he doesn't see any issues with a name change. The motion carried unanimously.

Consideration of budget item for logo design: Lacey said she had received a cost estimate of \$14K for a new logo, and that additional estimates and resources are obviously necessary. She also said that the name change will be used to move forward with a new logo. Discussion included using internal staff, and maybe holding off on a log for now. Finally, Lacey James, on behalf of Cindy Blackmore, moved to approve up to \$5,000 for development of the new logo for the budget. Comments were made that included having graphic designers from the cities work with the committee, ideas will be needed for the logo, the fact that the amount is 1/3 of the account reserves, and the suggestion to set as part of the motion that it is a one-time budget item. The chairman asked for a second to Lacey's motion; having none, the motion failed. A consensus was reached and the management committee agreed that it would be okay to work with the city's graphic designers to develop a logo as a starting place.

Goal Team #3 update was shared by Drew, which included that the team was expanding, nailing down and prioritizing each goal and will present with their final recommendations at the next meeting. Doug said the teams need direction with short range plans and would like to see more accomplishments. Ron shared that goals and visions were created and that the goals may seem to be too much, but that we could prioritize and hone in on them to get them done.

7. New Business:
None
8. Call to the Public:
None
9. The next meeting will be set for April or sooner, if needed for the organizational discussion. The meeting adjourned at 3:09pm