

City of Glendale  
Citizens Utility Advisory Commission  
Oasis Water Campus  
7070 W. Northern Avenue  
September 2, 2020  
6:00 P.M.  
**DRAFT MINUTES**

1. CALL TO ORDER

Vice Chair Short called the meeting to order at 6:00 p.m.

2. ROLL CALL

**Present:** Vice Chair Ron Short and Commissioners Robin Berryhill (via conference call), Larry Flatau, Amber Ford, Jon Froke, and David McGrew

**Absent:** None

**Also Present:** Craig Johnson, Director, Water Services; Michelle Woytenko, Director, Field Operations; Katrina Alberty, Deputy Director, Water Services; James Burke, Director, Public Facilities, Recreation & Special Events; Purab Adabala, Transportation Planning Administrator; Vicki Rios, Assistant City Manager; Jack Friedline, Assistant City Manager; Lisette Camacho, Budget & Finance Director; Dan Hatch, Financial Administrator, Water Services; Drew Swieczkowski, Environmental Program Manager; Megan Sheldon, Environmental Resources - Water Services Deputy Director; Candace Schulte, Management Assistant, Water Services; Trevor Ebersole, Transportation Director; Don Bessler, PWLF Chief Capital Improvement Officer

Vice Chair Short announced that former Commissioner and Chair Jonathan Liebman has resigned from the Commission due to health reasons. Vice Chair Short stated that former Commissioner Liebman was a very active member, complimented his efforts, and thanked him for his service.

Vice Chair Short welcomed new Commissioner Froke.

3. CITIZEN COMMENTS

None.

4. APPROVAL OF MINUTES

**Motion by Commissioner Flatau, second by Commissioner Ford, to approve the March 4, 2020 Citizens Utility Advisory Commission meeting minutes as written. Motion carried 6 – 0.**

5. DIRECTOR'S REPORT

Ms. Michelle Woytenko, Director of Field Operations, reported the following

- Ms. Monica Gorman was recently hired as the new Field Operations Deputy Director.
- The City was again victorious in the Vieste lawsuit. On July 28, 2020, the City received notice that the court denied Vieste's last and final appeal of the \$3.5 million plus attorneys' fees and costs previously awarded to the City. Ms. Woytenko cautioned that the City may not end up receiving this money.
- There were crew shortages in July due to the impact of COVID. July 2020 was the heaviest month of bulk trash ever recorded at 2,504 tons. Appreciation was expressed to the Transportation Department staff for the assistance with processing the bulk trash.
- The department has a new online recycling tool, whereby a user can input a product and will receive information on its recycling potential.

- The Landfill is not accepting cash payments due to COVID and has implemented a flat rate billing system. This has allowed the facility to handle more people at one time.

Commissioner McGrew inquired as to why Ms. Woytenko did not foresee the City would receive the awarded monies from the Vieste case. Ms. Woytenko explained that the potential exists, however, the two companies the City won the lawsuit against no longer has employees and its future is unknown.

Mr. Craig Johnson, Director of Water Services, reported the following:

- Due to the resignation of the former Chair, the Commissioners will vote on the Vice Chair and Chair at the next Commission meeting.
- Commissioner Jon Froke is a new member and very much welcomed.
- On August 3, 2020, Ms. Kerri Logan retired from her position as Deputy Director of Water Services. Ms. Katrina Alberty was promoted to the position.
- The City has an IGA with Luke Air Force Base for wastewater treatment that was executed in June. The City will design a lift station and force main to remove the wastewater from LAFB and into the City's station. Completion of the project is hoped to be done by Luke Days in 2022.
- Water usage has increased. For the last six weeks, usage has been approximately 4 million gallons a day over last year for the same time period. This may be due to the extended heat. The department has been working through the increase successfully.
- In April, the Disconnect Program was discontinued and there will be no disconnects most likely until the weather gets cooler. Staff is tracking customers with outstanding balances.
- City Council approved \$50,000 in water bill assistance for this fiscal year. The funds can be used by the City's CAP office to assist customers with hardships. Last fiscal year was the first year of this program and it has been working well.

Commissioner McGrew inquired as to the reason that LAFB reached out to the City regarding the wastewater. Mr. Johnson explained that LAFB's plant was over 40 years old, was repaired in the past, and a 2017 assessment indicated that the plant has reached the end of its lifecycle. Mr. Johnson stated that LAFB wanted to review other options besides constructing a new plant. Mr. Johnson added that LAFB is within the City's limits and Council approved the agreement and project.

The agenda item was concluded.

## 6. BOND ELECTION UPDATE

Ms. Rios gave a presentation on the November 3, 2020 Bond Election. Ms. Rios announced that Commissioner Froke was a member of the Bond Committee and thanked him for his service. Ms. Rios stated that the purpose of this evening's presentation was to provide information only as by law, staff cannot advocate for or against the issue or provide an opinion. Ms. Rios' presentation included the following information:

- Bond Committee
  - Members, meeting timeline, and general meeting topics
- \$187.9 Million Bond 2020 Snapshot
  - Question 1: Parks and Recreation Capital Projects / \$87.2 million
    - Citywide Park Improvements
    - Updated Playgrounds

- Upgraded Restrooms
  - Heroes Park Buildout
  - Splash Pad at O'Neil Park
- Question 2: Streets Capital Projects / \$81.5 million
  - Streets Construction and Reconstruction
  - 59<sup>th</sup>, 67<sup>th</sup> and 83<sup>rd</sup> Avenues
  - Bell, Thunderbird, and Bethany Home Roads
- Question 3: Landfill Capital Projects / \$9.9 million
  - Landfill Expansion
  - Environmental Protection and Compliance
- Question 4: Flood Control Capital Projects / \$9.3 million
  - Storm Drain and Overall Drainage Improvement Products
- What Are Bonds?
  - Definition of bonds and purpose of bonds
- General Obligation Bonds
  - Paid for using secondary property tax
  - Must be authorized by voters
  - Constitutional Limits defined
- Property Tax
  - Primary Levy
    - Any General Fund expense
    - Currently flat levy
    - Assumes growth in new construction
  - Secondary Levy
    - Debt service on General Obligation Bonds only
    - Currently flat levy – Council's policy is to keep levy flat
    - Assumes growth in new construction
- Secondary Property Tax History
  - Graph of FY16 through FY21 displayed which indicates history of basically flat levy
- 2020 Bond Election Disclosures
  - Interest Rates
    - Maximum of 8% in the ballot – very conservative
    - Assumed 5% interest rates for debt service calculations - conservative
  - Estimated Annual Tax Impact
    - Estimated impact displayed for residential, industrial, and agricultural/vacant property
- Sample Estimated Bills for the following were displayed and explained:
  - Property Tax – Residential Property
  - Property Tax Bill - \$250K Residential
  - Property Tax – Commercial
  - Property Tax Bill - \$1.3 Million Commercial
  - Property Tax – Agricultural
  - Property Tax Bill - \$160K Agricultural
- Full G.O. Bond Program
  - Current debt outstanding is \$100.4 million

- The City will pay this off over the next two to three years, which is why the secondary levy can be kept flat even with the proposed G.O. Bonds
- Plans to issue \$200 million in new G.O. debt over 10 years
  - Current voter authorization per department displayed
- \$178 million in new voter authorization being requested in the bond election
- Graph of G.O. Bonds Annual Debt Service for 2021 through 2030 displayed and explained.

Ms. Rios concluded her presentation.

Commissioner McGrew inquired as to how debt issuance was determined. Ms. Rios explained that bonds are not issued until a project is ready to be completed. Ms. Rios stated that City can fund a project for some time and pay itself back with bond funds when the project is near completion, as this saves on interest costs. Ms. Rios noted that the CIP projects cannot be done all at one time, due to logistics.

Commissioner Berryhill thanked Ms. Rios for a very informative explanation.

Commissioner Froke asked if the impacts of COVID were taken into consideration. Ms. Rios replied that so far, an impact from COVID on property values, sales, and new construction has not been seen, however, staff will monitor the situation closely and will make adjustments as appropriate.

Ms. Camacho showed four promotional videos on the Bond Election, which detailed the proposed uses of bond funding for Parks and Recreation, Streets, Flood Control, and the Landfill.

Ms. Camacho gave a detailed presentation on the proposed bond projects, which included the following information:

- Parks and Recreation Capital Projects
  - Bond Committee Recommendation
    - \$87.2 million in additional voter authorization.
    - The ballot language was provided.
    - Specific and general projects were displayed.
- Streets Capital Projects
  - Bond Committee Recommendation
    - \$81.5 million in additional voter authorization.
    - The ballot language was provided.
    - Specific and general projects were displayed.
- Landfill Capital Projects
  - Bond Committee Recommendation
    - \$9.9 million in additional voter authorization.
    - The ballot language was provided.
    - Specific projects were displayed.
- Flood Control Capital Projects
  - Bond Committee Recommendation
    - \$9.3 million in additional voter authorization
    - The ballot language was provided.

- Specific projects were displayed.

The Commission was provided with a Bond Election Public Outreach Schedule.

The agenda item was concluded.

## 7. WATER SUPPLY UPDATE

Mr. Swieczkowski gave an update on the Water Supply, which included the following:

- Colorado River System Reservoir Status – August 13, 2020 Statistics and Chart Displayed
  - Lake Mead at 40% capacity, last August was 39%
  - Lake Powell at 50% capacity, last August was 49%
  - Other river system capacities displayed as well.
- Graphs and Charts Displayed
  - Colorado River Basin Snowpack
  - Colorado River Upper Basin Runoff
  - U.S. Drought Monitor / Arizona on August 18, 2020: Most of the state is in severe drought
  - Current Arizona Drought Conditions: Estimates over 5.8 million people in Arizona are in areas with drought conditions
  - National Three-month Outlooks for Temperature Probability and Precipitation Probability
- Lake Mead Water Level Elevations: Modeling for end of 2021 and 2022 anticipates a Tier 0 Shortage anticipated at the end of both years.
- Drought Contingency Plans Cuts for 2021 based on Tier 0 Shortage:
  - The same plan as was followed in 2020.
  - The reduction to Arizona’s CAP supply will be 192,000 acre-feet.
  - Municipalities will not feel any impact from this reduction
  - Less water to agriculture and recharge due to no excess CAP water.
  - Arizona has been voluntarily conserving this volume in Lake Mead since 2015.
- Additional Charts and Graphs
  - Lake Mead: 24-Month Study Lake Levels
  - Predictions for Arizona Colorado River Shortages – 2020 through 2024
- Issues for CAP Water in Arizona
  - Arizona Reconsultation Committee (ARC) for reworking of the 2007 Interim Guidelines
  - Replacement of the 2007 Interim Guidelines in 2026
  - Arizona may lose some of its 2.8 million acre-feet entitlement
  - We must work with the Upper Colorado Basin states for resolution
  - Plan for potential loss of CAP water
- Additional Charts and Graphs
  - Current Conditions on the SRP System
    - Verde River System 59% full at August 2020
    - Salt River System 90% full at August 2020
  - Conditions on the Salt and Verde Watersheds – Salt River Group and Verde River Group
    - Total Salt and Verde Systems: Currently 86% full / One year ago, 71% full
    - SRP has recently stated that they expect to spill water with an average snowpack in 2020/2021

- The New Conservation Space (NCS) was almost completely filled in 2020
- Glendale's NCS volume is 27,250 acre-feet
- We currently have in storage about 26,500 acre-feet of NCS water
- CAP/SRP Supply Summary
  - CAP
    - Currently at Tier Zero but increasing chances starting in 2023
    - Drought Contingency Plan (DCP) runs through 2026
    - Under the DCP, municipalities will have mitigation
    - Big concern is after 2026 and Reconsultation
  - SRP
    - Reservoirs are currently in great shape
    - SRP can also provide more groundwater in times of low reservoir levels
    - Potential for spill in 2021 with average winter precipitation
    - Working on future projects to help ensure future water supplies

Mr. Swieczkowski concluded his presentation.

Commissioner McGrew inquired about the ratio of CAP and SRP water used by Glendale. Mr. Swieczkowski explained that the City uses an approximately equal amount of CAP and SRP water.

Vice Chair Short relayed that he read an article in the Arizona Republic which indicated that the Colorado River flow will be reduced by 25% by 2050. Mr. Swieczkowski noted that the future prediction is the reason for the 2026 Reconsultation and there will need to be increased focus on water conservation and reduced consumption. Mr. Swieczkowski reported that most of the new population growth has been on the Colorado River water system. He stated that Glendale is fortunate because it has a good water portfolio and is in better shape than other cities in Arizona. Mr. Swieczkowski confirmed that a 25% decrease in the Colorado River would be a dramatic loss.

Vice Chair Short thanked Mr. Swieczkowski for his presentation.

The agenda item was concluded.

## 8. COMMISSIONER COMMENTS AND SUGGESTIONS

Vice Chair Short stated that he read an article indicating that ASU has perfected a way to mitigate COVID in the dorms by wastewater testing and tracing. Vice Chair Short inquired about any use of wastewater tracing by the City. Mr. Johnson stated that staff is in discussions with ASU regarding the 91<sup>st</sup> Avenue Wastewater Treatment Plant. Mr. Johnson said that he read the article on ASU as well and there is a lot of potential in process used.

## 9. FUTURE AGENDA ITEMS

Vice Chair Short read aloud the agenda items provided by staff:

October 7, 2020:

- Chair and Vice Chair Recommendations
- Water/Sewer Rate Study

November 4, 2020

- Water/Sewer Rate Study Discussion

No additional agenda items were proposed.

10. NEXT MEETING

The next meeting regular meeting of the Citizens Utility Advisory Commission will be held on October 4, 2020 at 6:00 p.m. at the Oasis Water Campus, 7070 W. Northern Avenue, Glendale, Arizona, 85303.

10. ADJOURNMENT

**Motion by Commissioner McGrew, second by Commissioner Flatau, to adjourn the meeting at 7:35 p.m. Motion carried 6 – 0.**

Respectfully submitted,  
Denise Kazmierczak