



City of Glendale
Citizens Utility Advisory Commission
Oasis Water Campus
7070 W. Northern Avenue
February 3, 2021
6:00 P.M.
DRAFT MINUTES

1. CALL TO ORDER

Chair Berryhill called the meeting to order at 6:02 p.m.

2. ROLL CALL

Present: Chair Robin Berryhill, Vice Chair David McGrew, and Commissioners Larry Flatau, Jon Froke, and Ron Short. Commissioner Ford arrived during agenda item 5.

Absent: None

Also Present: Craig Johnson, Director, Water Services; Michelle Woytenko, Director, Field Operations; Katrina Alberty, Deputy Director, Water Services; Monica Gorman, Deputy Director, Field Operations; Dan Hatch, Financial Administrator, Water Services; Megan Sheldon, Deputy Director, Environmental Resources-Water Services; Candace Schulte, Management Assistant, Water Services; Kerry Sheward, Water Services Administrator; Ron Serio, Deputy Director, Water Services; John Henny, Deputy Director, Water Services; Amy Morena; Solid Waste Superintendent; Matt Fortkamp, Urban Irrigation Superintendent

3. CITIZEN COMMENTS

None.

4. APPROVAL OF MINUTES

Motion by Vice Chair McGrew, second by Commissioner Flatau, to approve the minutes of the January 6, 2021 Citizens Utility Advisory Commission Regular Meeting as written. Motion carried 5 – 0. [Commissioner Ford was not yet present.]

5. DIRECTOR'S REPORT

[Commissioner Ford arrived during the agenda item.]

Ms. Michele Woytenko, Director of Field Operations, reported the following:

- There have been changes to the City's website to include a Recycling Wizard, whereby a person can find out if an item is recyclable, and an interactive sorting game called Recycling Done Right.
- The annual Christmas Tree Recycling Event was held the last two weeks after Christmas and 799 trees were collected, which was a 40% increase over the previous year.
- Residents can view, on the City's website in real time, where the bulk trash is being picked up.
- In partnership with APS, free electrical vehicle charging stations have been installed at City Hall for five years at no cost to the City, though the City will pay for the cost of electricity. At the end of five years, the City can decide to keep the stations or not.

- Over 200 employees were added to a safety portal for the tracking of mandatory safety training completion.
- Staff continues to be trained on proper COVID protocols and cleaning methods.

Vice Chair McGrew asked if the web mapping included upcoming bulk pick-ups. Ms. Woytenko replied that the webpage shows where the bulk pick-up has been, but residents can look up their scheduled section pick-up dates on the website. Ms. Woytenko explained that this real-time feature will show residents, if it is their collection week, where the pick-ups have been completed that week.

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

- Staff is working on the budget and the first meeting was held yesterday.
- CIP meetings are being held earlier this year and workshop meetings are being held with Council every other Tuesday through March 16th. Once CIP is completed, department Directors will go over Operating and Maintenance budgets with Council.
- Rate evaluations for water and sewer will be done. Staff is holding a kick-off meeting with a new rate consultant next week. The goal is for a decision on rates to be made in the August/September timeframe.
- Implementation is moving forward on a new staff performance planning system and new evaluation program. Success factors and expectations for functional areas are being newly developed. Goals and success factors need to be aligned. Evaluations will be done in May under the new system. Council will determine the budget for raises.
- City offices will be closed on February 15th for the Presidents' Day holiday.

Commissioner Short inquired if the new pay for performance system would apply to all levels of employees, included part-time and temporary. Mr. Johnson relayed that this system will only be for full-time staff, as part-time and temporary employ have contracts.

The agenda item was concluded.

6. FINALIZE 2021 COMMISSION CALENDAR AND AGENDA TOPICS

Ms. Alberty, Deputy Director, Water Services, presented the Draft 2021 CUAC Agenda Topic Calendar, as was initially reviewed and discussed at the January 2021 Commission meeting.

Chair Berryhill inquired about adding the following agenda topics: update on the drought and the Balanced Scorecard.

Mr. Johnson stated that a drought update could be provided after the two 24-month studies are published in April and August this year. Ms. Alberty suggested adding the drought and the Balanced Scorecard topics to the October Commission meeting.

Motion by Commissioner Flatau, second by Commissioner Short, to approve the 2021 CUAC Commissioner Calendar as presented, with the addition of the following topics to the October 2021 agenda: Update on the Drought, Update on the Balanced Scorecard. Motion carried 6 – 0.

7. RECYCLING PROGRAM RECOMMENDATIONS

Ms. Gorman, Deputy Director, Field Operations, gave a presentation on recommendations for the Recycling Program, which included the following information:

- Policy Issues
 - Recycling material processing costs are continually increasing and exceed available revenues
 - The MRF has reached the end of its useful life; significant capital investment is required to continue operating
- Introduction – 2020 Residential Recycling Survey
 - In January 2020, Councilmembers asked staff to survey citizens about recycling to inform program decisions.
 - The survey results were presented to the CUAC on January 6, 2021.
 - The survey results were used to develop these program recommendations.
- Background
 - Costs for Recyclable Material Processing
 - Revenues from commodity sales have been decreasing for several years. There is more supply than demand.
 - Revenues no longer offset expenditures.
 - MRF Operating shortfall (does not include CIP)
 - FY19: \$1.30 million
 - FY20: \$1.56 million
 - FY21/1Q: \$377,038
 - Revenue Sources
 - Revenue from residential curbside collection rates supports recyclable material collection, not processing of materials.
 - Historically, recyclable material processing was funded by commodity sales and landfill rate payers.
 - In FY20, MRF operational costs were \$2.07 million; offset by revenues from commodity sales (\$516,741) and landfill tipping fees (\$475,079). Resulting in a fund shortfall of \$1.08 million.
- Recommendation 1: Increase Monthly Rate for Curbside Customers
 - Justifications
 - Survey: 90.5% support rate increase of either \$1.00 or \$1.60; 61.8% support increase to \$1.60 for weekly service
 - The recommendation is an increase of \$1.60 per month; for a total of \$23.40 monthly. The current rate \$21.80/month.
 - Estimated additional annual revenues of \$1.05 million, which partially offsets of costs for recyclables processing.
 - Maintains current weekly service levels; minimizes disruption caused by program changes.
- Recommendation 2: Reduce Free Landfill Disposal to 6 Times Per Year
 - Justifications
 - Survey: 74.8% support reducing or eliminating free disposal.
 - Service reduction impacts only 0.7% of residential customer accounts based on past usage.
 - Saves at least \$30,000 in waived fees.
 - Operational benefits include shorter queue lines.

- Recommendation 3: Adopt Landfill Minimum Transaction Charge
- Justification
 - Standard practice is to prorate fees for less than 1 ton down to single dollars. The scale currently measures in increments of 20 lbs.
 - Minimum transaction charge will be the rate for 1 ton.
 - Most fee-payers have been charged the 1-ton rate as a minimum transaction charge since the start of the pandemic.
 - Estimated additional revenues over \$1 million if we no longer prorate below 1 ton.
 - Other benefits include increased revenues, decreased customer tips, and shortened queue lines.
 - Little impact to majority of Glendale residents who have curbside, bulk service, and free disposal.
- Recommendation 4: MRF Operation – Adopt Different Recyclables Processing Model
 - Background
 - Processing efficiency (percent recovery) in FY20 was 44%.
 - Processing equipment has reached the end of its useful life.
 - The current equipment is breaking and down a lot and it is challenging to keep up with input.
 - The current equipment was geared toward paper, but the newer materials being processed are plastics.
 - Options
 - Transport material to another facility, with Phoenix’s MRF as the least expensive option, assuming capacity is available.
 - Operate as Regional MRF – private sector partnership; requires some capital investment.
 - Status Quo: Significant capital investment required; estimate of \$16 million
 - Considerations
 - The recommendation at this time is to pursue cost savings by transferring recyclable materials to a regional public or private sector facility.
 - The policy decision on the MRF operation will affect the development of rate models for Solid Waste Collections and the Landfill, especially if significant CIP investment is required.
- Policy Questions
 - Who should pay for the increased cost of processing recyclable materials collected from curbside customers?
 - Staff recommendation: Costs shared by residential collection customers and landfill rate payers.
 - Should the City continue to process recyclable materials internally or pursue another option?
 - Staff recommendation: Outsource the processing of recyclable materials at lower cost, either through a contracted vendor or IGA.

Ms. Gorman concluded her presentation.

Commissioner Flatau asked if staff has developed a list of available facilities that could take the recyclables from Glendale and if staff has spoken with other entities that would potentially join the City

in a regional operation. Ms. Gorman stated that staff has issued a formal solicitation to determine interest from the private sector and has also had discussion with Phoenix. Based on this, it was determined that Phoenix would be the least expensive option. However, one of Phoenix's MRF was recently shut down, so they cannot take on Glendale's recyclables right now, but it is in Phoenix's best interest to re-open that MRF. Ms. Gorman explained that most of the surrounding valley cities are using the Phoenix MRF or have stopped recycling; this information was obtained from the City of Phoenix.

Commissioner Short inquired about the impact of the bond election that failed. Ms. Woytenko explained that the two specific Landfill bond questions that did not pass were related to the excavation and lining of the north cell, which do not have an impact on current recycling.

Vice Chair McGrew inquired about the cost savings if using the Phoenix for recycling. Ms. Gorman provided the following processing costs for FY20: Glendale MRF was \$122/ton, City of Phoenix was \$65 to \$80/ton plus additional transportation costs, private facilities were \$90 to \$100/ton. Ms. Gorman explained that the way to bring down the MRF costs is to bring in more material, such as operating as a regional facility, but this would require capital investment.

Chair Berryhill asked what would happen to the current facility if there was a shift to using Phoenix or the private sector. Ms. Gorman replied that it could be used as a back-up processing facility or as a transfer station.

Ms. Woytenko clarified that staff is asking for a consensus from the Commission to accept the staff recommendations on the two policy questions. Ms. Woytenko noted that a decision on if the City should utilize the City of Phoenix or a private entity still needs to be vetted, but consensus is requested in regard to moving forward with pursuing the recommendations.

All Commissioners supported the staff recommendations. Chair Berryhill confirmed consensus.

8. REVIEW FY20-21 CIP PROJECT STATUS

Mr. Ron Serio, Deputy Director, Water Services, gave a presentation on the Water Services CIP, which included an update and photos of the following projects:

- Arrowhead Ranch Water Reclamation Facility (ARWRF)
- ARWRF Sludge Force Main
- Pyramid Peak Water Treatment Plant (PPWTP)

John Henny, Deputy Director, Water Services, gave a presentation on the Water Services CIP, which included an update and photos of the following projects:

- System Projects – Water/Sewer Pipes, Hydrants & Valves, Meter Vaults
- Camelback Rd. / 43rd Ave. to 51st Ave. – Water Line Replacement
- Glendale Ave. / 99th Ave. to El Mirage Rd. – Water Line and Force Main
 - Luke Air Force Base Force Main
 - Bridge Work
- Fire Hydrant/Valve Replacement
- Meter Vault Improvements
- Sewer Line Rehabilitation / Replacement
 - Manhole Rehabilitation

- Phase V Sewer Rehabilitation
- Arrowhead Sewer Line / Phase I
- The process of slip-lining a pipe

There were no questions.

Mr. Johnson thanked the Commission for supporting staff's efforts on the CIP program. Mr. Johnson relayed in detail the roles and responsibilities of the staff members in attendance. Mr. Johnson complimented the staff members for their hard work on their numerous duties, responsibilities, and achievements.

Chair Berryhill thanked Mr. Johnson for the excellent recap of the department and stated that the City is lucky to have these staff members.

Commissioner Ford asked if she could find the status of the CIP projects on the City website. Mr. Henny replied that the Engineering Department had an online tool at one time, was unsure if it was still available, and will follow-up on the request.

Commissioner Ford asked that staff take into consideration the negative income impacts of COVID on some residents when proposing rate increases. Mr. Johnson stated that the department does not do turn-offs anymore and there is a \$50,000 set aside again this year for the CAP office to use for utility assistance requests.

9. COMMISSIONER COMMENTS AND SUGGESTIONS

Commissioner Flatau was impressed with staff and commented that the department is in good hands.

Commissioner Short gave kudos to staff for its outstanding planning efforts. Commissioner Froke concurred.

Commissioner McGrew noted that there is a lot to the logistics of the operations and plans and was very impressed with staff.

Chair Berryhill thanked staff for the great presentations.

10. FUTURE AGENDA ITEMS

March 3, 2021: No meeting.

April 7, 2021: No meeting.

May 5, 2021:

1. Water/Sewer Rate Discussion and Financial Updates
2. Solid Waste Collections/Landfill Rate Discussion and Financial Updates

11. NEXT MEETING

The next meeting regular meeting of the Citizens Utility Advisory Commission will be held May 5, 2021 at 6:00 p.m. at the Oasis Water Campus, 7070 W. Northern Avenue, Glendale, Arizona, 85303.

12. ADJOURNMENT

Motion by Commissioner Flatau, second by Vice Chair McGrew, to adjourn the meeting at 8:04 p.m. Motion carried 6 – 0.