

City of Glendale
Citizens Utility Advisory Commission
Oasis Water Campus
7070 W. Northern Avenue
August 3, 2022
6:00 P.M.
DRAFT MINUTES

1. CALL TO ORDER

Chair Berryhill called the meeting to order at 5:59 p.m.

2. ROLL CALL

Present: Chair Robin Berryhill, Vice Chair Amber Ford (via phone), Commissioner Larry Flatau, Commissioner Jon Froke (via phone – joined during agenda item 5), Commissioner Ron Short

Absent: None

Also Present: Craig Johnson, P.E., Director, Water Services; Michelle Woytenko, Director, Field Operations; Katrina Alberty, Deputy Director, Water Services; Michael Carr, Deputy Director, Solid Waste; Megan Sheldon, Deputy Director, Environmental Resources, Water Services; Joanne Toms, Environmental Program Administrator, Water Services; Kim Mackert, Budget Administrator, Field Operations; Lisa Esquivel, Support Services Administrator, Water Services

3. CITIZEN COMMENTS

None.

4. APPROVAL OF THE MINUTES

Motion by Commissioner Short, second by Commissioner Flatau, to approve the minutes of the May 4, 2022 Citizens Utility Advisory Commission Meeting with the following changes:

- **On agenda item 3, change ‘At the October 6, 2021 meeting...’ to ‘At the October 6, 2021, meeting...’**
- **On agenda item 5b, change ‘...who lead the effort.’ to ‘who led the effort.’**
- **On agenda item 8, change ‘...at the January 25, 2022 Council Workshop.’ to ‘...at the January 25, 2022, Council Workshop.’**

Motion carried 4 – 0. [Commissioner Froke was not yet present.]

5. DIRECTOR’S REPORT

a. Solid Waste/Landfill Update

Ms. Michele Woytenko, Director, Field Operations, provided a report, which included the following:

- Recently, a \$600,000 project was completed at the Landfill for stormwater retention.
- ADEQ and EPA inspections were conducted at the Landfill recently, the inspection went well, and there were no significant findings.
- A water conservation audit was completed of the water meters at the Landfill and the front area landscaping of nearly two acres of grass was converted to xeriscaping.

b. Water Services Update

Mr. Craig Johnson, P.E., Director, Water Services, provided a report, which included the following:

- **Balanced Scorecard:** A meeting was held with the Organizational Performance Department on July 25th and another meeting will be held on August 30th. It is expected that by the end of September, Tier 2 of the Balanced Scorecard will be completed.

- At the September 27th Council Workshop, staff will present a Water Resources update, which will consist of an overview of the August 24-month Study by the Bureau of Reclamation.
- Glendale’s Water Services Reclamation Superintendent, Ms. Karla Kamou, is one of eighteen emerging leaders from water and wastewater utilities from across the nation. She has been selected as a 2022-23 Fellow of Duke University’s Water Innovation Leadership Development Program, which is a highly competitive executive education program.
- Ms. Candace Schulte, former Management Assistant for Water Services, was promoted in July and is working in the Community Services Department. Her replacement is Ms. Alana Reid and she will begin on August the 8th.

Commissioner Short inquired about the Balanced Scorecard schedule for Ms. Woytenko’s group. Ms. Woytenko stated that Field Operations was the first department to prepare a Balance Scorecard; however, also needs to go through the review process with the Organizational Development Department over the next month.

[Commissioner Froke joined the meeting via phone.]

6. SOLID WASTE/LANDFILL FINANCIAL UPDATES

Mr. Carr presented the Solid Waste and Landfill Financial Update, which included details on the following information:

- Solid Waste
 - Residential
 - Current Council approved rates, loss trends, Fund Balance, and staff recommendations.
 - Major Cost Factors Changes – Fuel and Workers Compensation
 - The Finance Department recommended a September 2022 implementation of a fuel surcharge and rate acceleration in order to drastically improve the Solid Waste Fund Balance. In order to meet the September deadline, staff needed to bring the proposed rate increase to Council in June. The information presented at the Council Workshop was provided to the Commission. The recommendation is to implement a temporary fuel surcharge to be implemented September 2022 and re-evaluate annually during the budget process. The temporary adjustment would be \$1.54 per household per month from September 2022 to June 2023.
 - The shortfall in Workers Compensation and Risk Management Insurance was presented.
 - Staff’s recommendation to Council was to approve early implementation of the previously approved rate increases.
 - A rate comparison to other valley cities was provided, which shows Glendale is still providing a competitive rate.
 - Details on the Fund Balance actual and forecasts with and without a rate increase were provided.
 - Commercial
 - Due to the shortfall presented, a 3% monthly rate increase was recommended for September 2022, with annual re-evaluation during the budget process. This ensures that the commercial rate shortfall is not subsidized by residential customers.

- Recap - Staff made the following Solid Waste recommendations to Council, which were approved with Council consensus on June 28th:
 - To continue the current Solid Waste level of service to the residents of Glendale
 - To implement a fuel surcharge at \$1.54 per household per month; with annual review during the budget process
 - To implement the approved rate adjustments, combining January 2023 and January 2024 rate increase with implementation in September 2022; move the January 2025 increase to January 2024; move the January 2026 increase to January 2025
 - To move forward the pre-payment of the interfund loan from the General Fund to Solid Waste
 - To implement a 3% monthly increase to the commercial rate, with annual review during the budget process

Commissioner Short asked if the interfund loan was available to all departments. Ms. Woytenko explained the interfund loan occurred in the 2010-2012 timeframe when the City's General Fund borrowed money from the Solid Waste, Landfill, and Water Services Departments for the Coyotes. She said instead of payback of the interfund loan over the next fifteen years, payback of the loan has been requested sooner.

Commissioner Short inquired about the insurance as presented. Ms. Woytenko explained there were dramatic increases in Worker's Compensation due to COVID and also increases in Risk Management insurance costs nationally. Commissioner Short asked if this was a 20% increase. Ms. Woytenko relayed that it was an increase of 255% over three years. Commissioner Short asked if there would have to be an increase year after year. Ms. Woytenko stated that the Risk Manager did not indicate a similar annual increase as he anticipated only inflationary increases from this point forward.

Commissioner Flatau asked if there would be a roll-out to the public regarding the rate increases and reasons for such. Mr. Carr said the information has been put on the City's website. Mr. Carr stated that there were no plans at this time for public outreach, but it could be pursued.

The agenda item was concluded.

7. WATER CONSERVIATION REBATE

Ms. Toms gave a presentation on a proposal to update the City's landscape rebates and additions to the City's rebates for water efficiency, which included the following information:

- Proposed Changes
 - Increase the existing landscape rebate for residential and non-residential customers
 - The City has had this rebate since 1986 for converting unwanted grass to xeriscape.
 - Information on the rebate amount changes and program over the years was provided, as well as current rates for the different types of customers.
 - Water Services has \$50,000 in its budget each year for the Landscape Rebate Program for residential and non-residential customers. Program requirements and historical rebate data were provided.
 - Proposal: To change the rebate funding from tiers to a fifty-cent per square foot of grass converted to xeriscape.
 - Proposal: To increase the rebate dollar cap, currently set at \$750, to \$2,250.

- Discontinue an under-utilized rebate for new homes
 - There has not been low participation. Statistics were provided.
- Discontinue a rebate for the landscape water budget for HOA's and commercial customers
 - Change from flat rebate of \$150 per 1,000 square feet of grass converted to a \$0.50 per square foot of grass converted to xeriscape.
 - To discontinue the \$1,500 for the landscape water budget, since this is already a requirement to receive the City's rebate.
 - To increase the rebate cap from \$3,000 to \$5,000 per fiscal year.
- Changes to include artificial turf in the landscape rebate
 - The incentive would be \$0.25 cents per square foot of turf converted to artificial grass, with a maximum of 1,000 square-feet for residential and non-residential customers. The maximum rebate would be \$250.
- Creation of new rebates for high efficiency toilets, high efficiency clothes washers, smart irrigation controllers, and cooling tower water management technology for commercial customers
 - Details on the proposed rebates and requirements were presented.
- The proposed Water Conservation Rebate Budget was provided.

Commissioner Short asked if the City worked with golf courses in the community on water budgets. He cited an Arizona Republic article on the 200 golf courses in the valley and how very few of them are meeting specific required standards. Ms. Toms said she does not work with any of the local or community golf courses in Glendale. She said that the Arizona Department of Water Resources has water allotments for golf courses.

Commissioner Flatau complimented the proposed program changes and indicated they were very timely. He commented on the discontinuation of rebates for new homes, as they still expanded the portfolio, although not widely used.

Ms. Toms announced staff was planning to present this proposal to Council in September and asked for the Commission's recommendation.

Vice Chair Ford asked if any funds not used for rebates carried over into the next year. Ms. Toms replied in the negative.

Mr. Froke commented that the rebate program was a terrific tool.

Chair Berryhill asked what would happen if a customer received a rebate, but then re-installed grass at some point and if there were consequences. Ms. Toms could not recall if staff has ever gone back to see if a customer has reconverted back to grass. She said it was something that could be included in the new program terms; however, it could be difficult to ensure that a new homeowner purchasing the property would comply with those terms. She said it could be considered to be in the terms for the current homeowner. Chair Berryhill recalled in 1986 when the program started, there was some such verbiage for the town side versus the SRP side. Ms. Toms did not recall seeing any historical paperwork with those terms. Chair Berryhill suggested researching the inclusion of terms in the instance where a customer may want to reconvert back to turf. Mr. Johnson did not see how a customer could be prevented from turning back on urban irrigation lines for turf, because the rights come with the land and

they would be making beneficial use of the water. He was unsure if the same rule applied for the SRP side. He did not know of any instance where a person was not allowed to convert back to turf, as he did not know if it could legally prevented.

The agenda item was concluded.

8. COMMISSIONER COMMENTS AND SUGGESTIONS

Commissioner Flatau thanked staff for the well-prepared presentations.

Vice Chair Ford thanked staff for the excellent presentations. She requested the power points in digital format for the future.

Commissioner Froke said the presentations were really good. He commented on a nearby home with water coming out by the front yard and said it was submitted on GlendaleOne about three or four weeks ago, however, the situation has not been remedied. Mr. Johnson thanked Commissioner Froke for the report and will follow up on the matter quickly.

Chair Berryhill thanked staff for the wonderful presentations.

9. FUTURE AGENDA ITEMS

Chair Berryhill announced the following:

- October 5, 2022:
 1. Chair and Vice Chair Recommendations
 2. Urban Irrigation
 3. 24-Month Study of the Colorado River Conditions

10. NEXT MEETING

The next regular meeting of the Citizens Utility Advisory Commission will be held on October 5, 2022, at 6:00 p.m., at the Oasis Water Campus, 7070 W. Northern Avenue, Glendale, Arizona, 85303.

The September 2022 Citizens Utility Advisory Commission meeting has been vacated.

11. ADJOURNMENT

Motion by Commissioner Short, second by Commissioner Flatau, to adjourn the meeting at 7:15 p.m. Motion carried 5 – 0.