

DRAFT



MINUTES

**CITIZENS UTILITY ADVISORY COMMISSION
OASIS WATER CAMPUS
7070 NORTHERN AVE.
GLENDALE, ARIZONA 85303**

**MAY 7, 2025
6:00 P.M.**

1. CALL TO ORDER

Vice Chair Ford called the meeting to order at 6:05 p.m.

2. ROLL CALL

Present: Amber Ford, Chair
Scott Scherer, Vice Chair
Srikanth Grandhi, Commissioner
Brian Pirooz, Commissioner

Absent: Dr. Kerry Duskin, Commissioner

Attendees: Ron Serio, P.E., Director, Water Services
Katrina Alberty, Deputy Director, Water Services
Mark Roye, Deputy Director, Water Services
Megan Sheldon, Deputy Director, Water Services
John Henny, Deputy Director, Water Services
Lisa Esquivel, Administrator Department Support Services, Water Services
Dan Hatch, Administrator Financial Programs, Water Services
Alana Reid, Management Assistant, Water Services
Joanne Toms, Administrator Environmental Programs, Water Services
Zacary Richards, Water Resources Program Manager, Water Services
Michelle Woytenko, Director, Field Operations
Michael Carr, Deputy Director, Field Operations
Kimberly Mackert, Administrator Financial Programs, Field Operations
Stacy Mawhiney, Account Specialist, Field Operations

3. CITIZEN COMMENTS

None.

4. APPROVAL OF THE MINUTES

a. APPROVAL OF THE MARCH 26, 2025 CITIZENS UTILITY ADVISORY COMMISSION MEETING MINUTES

Motioned by Vice Chair Scott Scherer, seconded by Chair Amber Ford to approve the minutes of the March 26, 2025 meeting.

AYE: Chair Amber Ford
Vice Chair Scott Scherer
Commissioner Srikanth Grandhi
Other: Commissioner Brian Pirooz (ABSTAIN)
Passed

5. WATER SERVICES FINANCIAL UPDATE

a. INFORMATION AND DISCUSSION

Mr. Hatch provided a Water Services Financial update for FY25 Revenue Sources, FY25 Expenses and Uses, FY26 Operating Budget Request, and FY26 Capital Budget Request.

Vice Chair Scherer asked if the forecast included the rate increases that were going to City Council for approval from the last meeting. Mr. Hatch said that we provided Council at the February 11, 2025, Council Workshop with a five-year forecast that did not include rate increases and a five-year forecast that included rate increases. In addition, we are informing the Council and the public about the rate increases, and there will be a public hearing in June to vote on the rate increases. Mr. Hatch provided clarification that tonight's meeting only includes the FY26 budget information, but the forecast goes out five years.

Chair Amber Ford asked for clarification on whether the five-year forecast from the last meeting encompassed the forecast and future rate increases. Mr. Hatch confirmed.

Commissioner Grandhi asked what the 4.3% will cover in the FY26 operating expenses. Mr. Hatch clarified that the rate increases will suffice for next year and that we provide a five-year forecast to look beyond the next 12 months to see the impact, rather than returning every year and being unprepared for upcoming trends. Council reached a consensus that we should not try to recover in our rates everything we need to recover in one year and level it out over a five-year period. We strive to meet our financial targets and maintain the level of service that our customers expect. We may not recover all costs and use some of our fund balance, which is in our plan. Commissioner Grandhi commented that he appreciates the 4.3% increase that was agreed upon at the last meeting, compared to other cities with 60-70% increases, and considering the customer's point of view. Mr. Hatch also wanted to remind the commissioners that we will return in November to provide a status report for the fiscal year's first quarter and the budget process's final outcome.

6. SOLID WASTE/LANDFILL FINANCIAL UPDATE

a. INFORMATION AND DISCUSSION

Mr. Carr provided a Solid Waste/Landfill Financial update for FY25 Solid Waste and Landfill 9-month YTD Actuals, FY26-35 Solid Waste and Landfill CIP Projects, and upcoming Solid Waste and Landfill rate increases. Mr. Carr also wanted to remind the commissioners that the presentation included the Solid Waste rate increases that were approved by Council in January 2025. The next scheduled increase will take place in January 2026 and will increase each year until January 2030. In addition, Mr.

Carr provided information on the proposed rates for Landfill, which were presented at the Council Workshop on April 8, 2025, where staff received consensus to move forward with the rates for a voting session. Solid Waste/Landfill staff are currently in the process of providing the public with information on the potential rate increases and will seek Council approval on May 13, 2025, at the regular voting meeting.

7. WATER RESOURCES UPDATE

a. INFORMATION AND DISCUSSION

Ms. Sheldon and Joanne Toms provided an update on the conditions for the Salt River Project and Colorado River systems. They also presented information on Glendale's water supplies, demands, 2027 Colorado River negotiations, drought preparedness, and next steps, including community outreach, continuing monitoring Colorado River conditions, and updating the City's Drought Management Plan for post-2026 Colorado River operating guidelines.

Vice Chair Scherer asked if the City is prepared for a potential 50% reduction in water and how it would affect residential and commercial growth. Ms. Sheldon said we have the resources to accommodate growth on the lands in our service area. We have always planned for those agricultural lands to change to multi-family or commercial, and there has always been a water use number associated with those lands. Also, as Joanne mentioned, the new construction tends to be more water efficient. However, if a new, larger water-using company wanted to use a lot of water, beyond what we expected for that property, conversations would take place regarding supplies, water credits, or potentially a lot of jobs and the quality of life for our community. The good thing is that the investments that have been made up to now in terms of the diversity of our resources have gotten us through these drought conditions.

Vice Chair Scherer asked if the state is responsible for telling the City of Glendale to take a 50% reduction of the Colorado River. Ms. Sheldon said Arizona will be given a certain cut, and within the state, it will have to be divided based on a priority system that has existed for over 100 years. Depending on the severity of the cuts, they will have to be negotiated since there are on-river users, tribal users, municipalities, and industrial users, and how we would manage those cuts, whether they would be immediate, phase them in, all of those conversations would have to take place.

Chair Ford asked for clarification regarding the New Colorado River operations in 2027 and prioritization. Ms. Sheldon confirmed that there is prioritization, and the 2007 guidelines balance the upper and lower basins and how much water they would send into Lake Mead. It's unknown how much will be revised until we have more information. Chair Ford asked if the Bureau of Reclamation could come in and change everything unilaterally. Ms. Sheldon confirmed.

Vice Chair Scherer asked if the city is growing, and based on the lower basin states, we showed in our region of water access, we have grown more than Southern California, Ontario East, and then compared to Nevada, half of Nevada south, we have an advantage over those two locations in terms of water. Ms. Sheldon stated that we are considered the junior priority rights on the Colorado River, we were one of the last states to build the conveying structure, the Central Arizona Project, and in that agreement, we asked the Federal government to help pay for that we agreed to be the first state to take cuts thinking there wouldn't be cuts or so severe, but that's the way things are now.

Chair Ford asked about Glendale's planning efforts. What's the cost estimate of using groundwater if we had to switch to that? Ms. Sheldon said there is the cost of electricity if we had to pump it out of the ground, some costs associated with treating it, and it is a smaller source compared to our water treatment plant. Also, with the wells being more localized, we might not have to pump water as far. There are some tradeoffs, and raw water costs from SRP, CAP, and there is a cost to get the water to our treatment plant, cost to treat it, and then cost to distribute it to our customers vs groundwater where we are pumping it and treating it there and then moving it out into the system. Based on the scale, it's probably close to a wash.

Chair Ford asked how close we are to Stage 2 on the Drought Management Plan. Ms. Toms said even when the Colorado River was in a Tier 2A shortage, we were still in stage 1 of our Drought Management Plan. There was a time in 2023 when the elevation of Lake Mead was going down, but we had a really

good snow pack, and we were thinking of going to Council and suggesting going to Stage 2. In our Drought Management Plan, we would go to Stage 2 when it was a Tier 2B shortage based on the elevation of Lake Mead. If Lake Mead dropped 20 feet, part of Ms. Toms job is to prepare the City for possible Stage 2. Again, it's voluntary for our customers; it just means the city has to reduce our water use by 10%, which is a big ask. Chair Ford asked if we are proactive in going to Stage 2. Ms. Toms confirmed that we are proactive, and Glendale was one of the first leaders, the first West Valley city to go to Stage 1. We are leaders in that area and making sure we are going into the right stage for a reason and that's by following our Drought Management Plan, which will be updated as soon as we know what the rules are for the Colorado River starting in 2027 because things may change and could be a 20% cut and could change what stage we are in.

Commissioner Grandhi asked how much percent of the total demand is divided between on-projects and off-projects. Ms. Sheldon said that about half of the 40,000 acre-feet, about 17,000 acre-feet, would be used off-project. Commissioner Grandhi asked about the 28,770 and 5,550 credits we can use and when we can use them. Ms. Sheldon said each one is slightly different and that the new conservation space is on top. We can store water in it and either withdraw it, or some of it is lost to evaporation. Right now, we have about 20,000 to 24,000 acre-feet in it, which can stay there, but over time, we will see the loss from evaporation, and we also want to balance it based on snowpack levels and use some of it so we can refill it. The flood control space does have a time limit. If and when it fills, we will have to make a decision within 120 days. It's not something we can store in the reservoir for years.

Commissioner Grandhi asked about revenue regarding the 91st Avenue Wastewater Treatment Plant and the Reuse customers. Ms. Sheldon confirmed that we issue invoices based on the amount of water reuse customers receive through our effluent distribution system. The Arrowhead amenities area, the northern portion of the city that receives effluent for reuse, and a couple of customers in the southern portion of the city, such as Camelback Ranch Spring Training, Cabela's, now Bass Pro, that have a lake, are billed for the effluent they use.

Chair Ford made a comment that Advanced Water Purification is becoming more acceptable, and 2035 is not that far away. Ms. Sheldon confirmed that there are a lot of states, cities, and districts that are already using Advanced Water Purification and have been for years. Chair Ford asked if we are following current guidelines. Ms. Sheldon confirmed ADEQ reviewed the guidelines from other areas when drafting the rules that took effect a couple of months ago. ADEQ look at other states to craft their Operating Training Certification program, the design review portion for treatment plants, and sampling. There are a lot of regulations regarding enhanced source control, what people are putting down the drain, and what's going to the treatment plant. ADEQ has reviewed what EPA and other states have done.

8. STAFF UPDATES

- a.** Mr. Serio welcomed the new Commissioner Pirooz. Mr. Serio also provided an update that we received three recommendations on stormwater, urban irrigation, and water and sewer rates at the last commission meeting. We brought the information to Council last month, and Council agreed with all the recommendations. The next step in the process will be on June 22. There will be a public hearing and an actual vote by the Council to consider the new rates. In addition, Drew Swieczkowski was our former Water Resources Manager, and he retired last Friday. His replacement is Zac Richards, who joined us tonight.

Ms. Woytenko provided an update regarding the rate increases. At the last meeting, the commission heard that the landfill rate adjustments would be taken to Council and will be considered by Council on May 13. We did present them to Council at the Workshop. At that point, we will have completed the postings and legal requirements. In addition, at the end of this month, May 18th – 24th, is National Public Works Week. Since both departments are part of the public works organization. We will typically do a Proclamation. While we aren't first responders, first responders are the Police and the Fire departments, and they couldn't work without us. Part of Field Operations, other than Solid Waste/Landfill, is fleet and facilities. We spend a lot of time making sure police stations, fire stations, and, more importantly, their fleet are working. Part of this proclamation will say that the staff who work on rebuilding, improving, and protecting our nation's transportation, water supply, water treatment, solid waste systems, public buildings, and other structures and facilities are essential to our citizens. Our staff is very proud of their

work, and we want to recognize that.

9. COMMISSIONER COMMENTS AND SUGGESTIONS

Chair Ford thanked the new Commissioner Pirooz for joining us.

Vice Chair Scherer said this was a good meeting tonight and welcomed the new Commissioner Pirooz.

Commissioner Grandhi thanked everyone for the presentation and welcomed the new commissioner as well. In addition, he thanked Joanne Toms and her team for helping him collaborate with a school on a water project. The school enjoyed the conversation and engagement. Overall, it was an enriching experience. He commended efforts to engage and do whatever we can in the community to educate customers on water.

10. FUTURE AGENDA ITEMS

Future Agenda Items for October 1, 2025:

1. Water Resources Update
2. Chair and Vice Chair Recommendations

11. NEXT MEETING

The next regular meeting of the Citizens Utility Advisory Commission will be held on October 1, 2025, at 6:00 p.m., at the Oasis Water Campus, 7070 W. Northern Ave., Glendale, Arizona, 85303.

12. ADJOURNMENT

Chair Ford adjourned the meeting at 7:30 p.m.

The Citizens Utility Advisory Commission meeting minutes of May 7, 2025 were submitted and approved this 01 day of October, 2025.

Alana Reid
Recording Secretary