



Water Services Advisory Commission

Oasis Water Campus
7070 W. Northern Avenue
March 5, 2014
6:00 P.M.

FINAL MINUTES

- I. **CALL TO ORDER** – 6:05 p.m.
- II. **ROLL CALL**: Present- Commissioners Robert Gehl, Paul Romanek, Ruth Faulls, Roger Schwierjohn, John Sipple, Vice-chair Jonathan Liebman, and Chair Ron Short

Staff: Craig Johnson, Javier Setovich, John Henny, Mark Fortkamp, Todd Hellman, Doug Kupel, Tom Gill, Kerri Logan, Anthony Weathersby, Stacey Kriese, and Sally Melling
- III. **CALL TO THE AUDIENCE** – Chair Ron Short reviewed the opportunity for audience members of the public to address the Water Services Advisory Commission. Thirteen speaker cards were submitted, with ten speakers coming forward.
- IV. **APPROVAL OF MINUTES OF JANUARY 8, 2014** – Motion was made by Comm. Schwierjohn and seconded by Vice-Chair Liebman to approve the minutes. Voice approval was unanimous. **Action: Approved 7-0**
- V. **SERVICE LINE WARRANTY- PRESENTATION** – John Henny, Water Services Deputy Director, provided information:
Several organizations offer protection for homeowners of service lines from point of entry to home to point of city responsibility
Optional
Offered by other cities: Phoenix; Mesa; Avondale; San Diego, CA; Las Vegas, NV; and New York City, NY
Recurring revenue opportunities
No liability to city
Local contractors used, reviewed and examined
Month to month, no long term contracts
Permit fees collected
\$60,000-\$150,000 revenue possible in three years
City logo used
Commissioners' concerns/questions
City is selling logo to private sector vendor for profit
City resources could be better utilized

City focus should be elsewhere; shouldn't be part of city focus right now

Concern that this one type of insurance opens doors to many others

Could reduction in calls result? Yes.

Is there assurance to the city that burden would not be put back onto staff to determine on whose side the responsibility lies? Yes, to some extent. Contracts can be negotiated and expanded to cover city needs and code requirements.

Could adverse impact on customer service result?

If the vendor does not perform well, would it reflect poorly on the city?

Are there currently other partnering efforts in the city?

Would vendor track records be available?

Is the partnering done with one vendor or multiple vendors?

How much staff time in researching will be needed and the cost involved?

Two speaker cards submitted, only one person spoke.

David Grove, Glendale resident, presented concerns. What percentage of money would city receive? With the city logo, the city will in fact be selling the insurance. And who will monitor the funds? Will attorneys be involved? Will determining whose side a repair is on take staff away from work? Does not seem calls would be reduced.

With the city logo involved, won't the city actually be warranting the contractor's performance?

Action: MOTION MADE BY COMM. GEHL AND SECONDED BY COMM. SIPPLE FOR STAFF TO INVESTIGATE THE ISSUE AND PROVIDE MORE INFORMATION. APPROVED 6-1.

VI. URBAN IRRIGATION IMPACTS AND ALTERNATIVE - PRESENTATION

Information presented by Doug Kupel, Interim Deputy Director, Environmental Resources

Past and recent history of Urban Irrigation presented

Revenues vs. expenditures presented; program not self-sustaining

All water customers subsidize the urban program costs

Only three cities still have irrigation: Glendale, Mesa, and Tempe
System relatively stable

Four alternatives proposed: 1) keep current practices, current system stable, costs exceed revenue, future costs unknown and unplanned for; 2) rehabilitate the entire system (Current cost of \$12M), new study required for accurate cost; 3) no longer provide irrigation services, city does not own system and cannot sell the system, repeal Ordinance 27, negative impact on homeowners and historic ambiance; 4) hybrid approach-keep current system size, no expansion, discontinue services if homeowners choose to discontinue permanently, city could discontinue service to lots at its discretion if costs and reasonableness make it best decision with due process/right of appeal; boost revenue generation to 50% of costs by increasing costs \$27* per year/irrigation customer phased in over 5 years (\$135 increase @ 50% cost recovery*), and on-going maintenance costs

* Subsequent to the March 5, 2014 meeting, staff determined a 50% cost recovery equals \$27/yr/customer and a \$135 total increase.

fund to handle extraordinary costs (\$15,000+) by establishing a reserve fund (possibly \$50,000) or have ability to level an assessment to users for extraordinary costs thereby protecting city-wide customers from having to pay them

Issue of fiscal fairness that protects customers not benefitting from irrigation directly from having to bear the cost for those who do

Commission questions-

Commission Q. With no repairs, how much longer could system function? A. Could continue for quite a while since it is gravity fed system with no major changes

Commission Q. If irrigation customer costs are raised to a 50% revenue recovery rate, would irrigation customers be paying more or less than non-irrigation customers? A. Staff will research and return information

Audience speakers:

Robin Berryhill-Request to table item until more public informed. Feels public was not informed. Also, requested phone numbers and emails addresses of commissioners to be able to contact with opinions. Five minutes speaking time is not long enough.

R.A. Scott-moved here rather than another city, irrigation deciding factor. City has commitment to him to give him irrigation. Feels it's a matter of honor and commitment. It is not fair. Everything is going north in the city. Support the people who brought you here.

Bud Zomok-does not receive irrigation. Shortfall in budget overall is .04%. If service is discontinued, would maintenance costs still be in place due to irrigation being supplied to parks and schools? White paper states no significant change anticipated. Do irrigation costs for Tempe and Mesa include their FTEs? Could grants be found to upgrade or improve system? If system is upgraded, how many more people could come onto system? A green Glendale is worth preserving, just leave the irrigation alone.

Paulette Gehrs-irrigation customer since 1979. If parks and schools watered, and line runs right by her property, why wouldn't she be given her irrigation water when Smith School will be irrigated? New customers are not allowed to sign up for irrigation, feels that is unfair. Wrong to take irrigation from customers. Husband has gone out and plugged holes to try to help. Has never seen any money charged for irrigation used for repairs.

Larry Baird- request to table discussion. If other meetings are held, hold them in a larger auditorium and provide longer speaking times. Requests money breakdown of how much cost to support home irrigation will be if it is increased.

Suella Baird-need more accounting of revenues vs. expenditures. Not broken down as to private home irrigation vs. park irrigation. Five minutes per speaker is not enough. This item was not publicized. Feels it presents an air of sneaking around. Make it known to

public that item is being discussed. Give people as long as they want to say everything they want to say.

Bonnies Scott-owned double lot since 1950s. Has full grown trees and if irrigation is not available, could not afford to water trees. Worried large trees would die and lawns would go down. People are looking at city because of football stadium. How will future information go out? Stated 24 hour posting outside of city hall and 72 hour posting on the website is not sufficient.

Cameron Berryhill-current Planning & Zoning Commissioner. Feels this is a property rights issue. Please notify all property owners. Table this issue until property owners notified.

David Grove-thanked Commission and staff for their time. Irrigation is a small percentage of budget. All services that do not pay for themselves should be targeted. Happy with SRI service. If future price increases occur and 50% of customers drop out, will remaining customers be responsible to cover increase?

Mike Scott-people need to know about this issue. Offer additional customers the service to get irrigation. Table this issue until all irrigation customers are notified. Hold meetings in larger rooms to accommodate all irrigation owners (700). Have documentation to answer questions precisely.

Commissioner Gehl provided his email address. He informed audience that he also receives irrigation and it was a major consideration in choosing his home. Also stated he had contacted the *Republic* and the *Star* about this issue prior to meeting on this important issue.

Commissioner Sipple applauded those present and stated their sentiments were well expressed; assured audience the commission will act on their concerns and favorably.

Action: Chairman Short worded motion as follows: table item and ask staff to go out and hold one or more community meetings within the service area; give proper notice to residents/property owners of the item; gather input; come back at a later date with that input and find recommendations or alternatives based on what the citizens are telling the staff. **COMM. SCHWIERJOHN STATED HE WOULD MAKE THAT MOTION. SECONDED BY VICE-CHAIR LIEBMAN.** Chairman Short directed staff to hold meetings within the area, notify the residents with enough time, get out the information perhaps take out newspaper articles, and come back at a later date. **PASSED 7-0**

VII. CALL FOR FUTURE AGENDA ITEMS

- Budget information
- CCTV and Wastewater information
- Chapter 33

Action: Information requested

VIII. **NEXT MEETING:** April 2, 2014 6 p.m.

IX. **ADJOURNMENT** – MOTION TO ADJOURN - COMM. SCHWIERJOHN,
SECONDED BY COMM. ROMANEK. Approved by voice vote. The meeting
adjourned at 7:30 p.m.