



Water Services Advisory Commission

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

FINAL MINUTES

I. CALL TO ORDER – 6:00 p.m.

- II. ROLL CALL:** Present: Chair Ron Short, Vice-chair Jonathan Liebman, Commissioners Robert Gehl, Ruth Faulls, and Roger Schwierjohn
Absent: Commissioner John Sipple

Staff: Craig Johnson, John Henny, Dr. Doug Kupel, Javier Setovich, Amanda McKeever, Dan Hatch, Mark Fortkamp, Megan Sheldon, Anthony Weathersby, Thomas Relucio, and Sally Melling, Recording secretary

III. APPROVAL OF MINUTES OF PREVIOUS MEETINGS

Approval of the Amendment to Final Minutes, September 3, 2014 meeting - Motion for approval made by Comm. Gehl, seconded by Comm. Schwierjohn. **PASSED 5-0**

Motion to ratify both the Final Minutes and the Amendment to Final Minutes of the September 3, 2014 meeting made by Comm. Schwierjohn, seconded by Comm. Faulls. - **PASSED 5-0**

October 1, 2014 meeting minutes – Motion made by Comm. Schwierjohn, seconded by Vice-chair Liebman to approve the minutes. **PASSED 5-0**

IV. EXECUTIVE DIRECTOR'S REPORT – Craig Johnson, P.E., Executive Director

Mr. Johnson informed the Commission of Comm. Romanek's resignation. The department will notify the Commission when another commissioner is appointed. He also gave a brief summary of the October 7, 2014 Workshop presentation to Council on Urban Irrigation which can be viewed on-line in its entirety.

Mr. Johnson gave department updates to the Commission. On October 7, the city hosted Take Your Child to Work Day which was well attended; and on October 18, Water Services participated in the Touch a Truck event. The Water Services equipment seemed to be the most interesting portion of the event since they had the longest lines for the hands-on adventures.

Revisions to Chapter 33 of the City Code are underway with Water Services working with the Finance Department to bring these forward to Council. Mr. Johnson estimates the two departments will jointly present updated proposals at a Council workshop sometime after the first of year.

At the October 20-24 Arizona Cities & Towns Week conference, one topic of discussion that was highlighted by impacted cities was the flooding event of September and staff response. The Water Services Department recognized Mark Brown with the Storm Water division for his contributions.

The department's Conservation and Sustainable Living division won the 2014 Water Resource Catch the Rain photo contest. Mr. Johnson urged all to check out the Glendale Rain Garden located at the main library as it is an interesting and innovative project.

Mr. Johnson informed the WSAC that the department is working on the 10-year Capital Improvement Plan (CIP) which will be presented to the WSAC when finalized after Budget Department input. Revisions are being made with the goal of minimizing the carry-over funds from year to year. This will be accomplished by scheduling projects which can be done in the time frames projected and ensuring the Engineering Department works to get procurement projects publicized so work is done within time frames.

Chairman Short asked if the Water Services Capital Improvement Plan projects are pay-as-you go versus issuing bonds to incur debt. Mr. Johnson replied that yes, projects are paid for with available money designated for CIP projects to avoid selling bonds. The department will be using fund balance cash and will not have to go out and sell bonds to incur more debt. The department has the appropriate amount of cash to work through at this for this year. The 5-year department forecast is updated every year. The WSAC will be advised when the need to sell bonds is reached.

Chairman Short asked if the WS CIP budget is stand-alone or integrated with the overall city budget. Mr. Johnson explained that the Water Services Department CIP budget is part of the city's operational budget which has both General Fund and Enterprise funds, but the Water Services Department CIP stands alone and is funded separately from the General Fund budget side of the city.

Vice-chair Liebman asked if the workshop date after first of the year was set yet. Mr. Johnson replied it had not yet been decided. He said that it could possibly be in the latter part of January.

Vice-chair Liebman asked if the Chapter 33 workshop date had been set yet. Mr. Johnson replied it also had not been set. He said that it could also after the first of the year around the latter part of January. He explained the budget kick-off date will be announced sometime in December and that departments will be notified at that time of approximate dates for workshop presentations.

Action: Information only, No action required

V. URBAN IRRIGATION STAFF PRESENTATION AND PUBLIC PARTICIPATION SUMMARY REPORT

Water Services Deputy Director Doug Kupel, PhD, reviewed the information previously provided to the Commission. He summarized information on the following items:

- Frequently asked questions (FAQs) are posted on the WS website
- Public Records Requests information has been provided to the WSAC
- Summary of public questions asked at the meeting provided to the WSAC
- Meeting tally was: 101 attendees; 19 speaker cards submitted, 18 speakers; 14 written comment sheets, and 1 letter received outside of meeting
- Presentations given at the following meetings: Dec. 4, 2013; April 5, 2014; May 7, 2014; June 4, 2014; and September 3, 2014

- Direction provided to staff by the WSAC at the September 3, 2014 meeting when Citizen Participation Plan adopted

Comm. Faulls asked what the number of irrigation customers is to the total number of water customers. Dr. Kupel replied there are 62,000 active water accounts and 350 urban irrigation accounts. He stated there is a potential of 400 customers but the number has remained stable over the past 30 years at 350.

The public comments were as follows:

Jessica Koory, W. Morten- said that she feels irrigation rates should not be increased and service should continue as it is. She also states new customers should be allowed to irrigate their property as it is their property right. Ms. Koory pointed out that all areas of Glendale are unique. She said the historical area has irrigated lots, lush trees, and early 20th century appeal. The Arrowhead area has lakes, lush common areas, and landscaped medians and this provides an oasis atmosphere. In the historic district, customers are paying for irrigation services. She stated that in the Arrowhead district, developers have yet to start paying for grey water used for the lakes, common areas, and landscaped medians; these are subsidized by all Glendale taxpayers. She referred to the Water Services FAQ #4, #7 to substantiate the city's obligation to provide irrigation service and questions #9, #10 reference the financial information contained therein. She asked if the master email interest list that was promised on Aug. 26 has been compiled. She stated the October 1 meeting seemed like partial break-through and hopes the communication continues.

Robin Berryhill, N. 59th Lane- stated that comparing the number of irrigation users to water users is comparing apples to oranges and have nothing to do with each other. She said water users use potable drinking water. She stated it costs more to treat drinking water. Ms. Berryhill feels that using treated water in drip systems to water trees can never be enough. She also feels urban irrigation should be called flood irrigation and that it is a property right. She pointed out the Commission is going against a property right. She does not feel irrigation water should be tied to drinking water, as it is not treated or refined, and should be a separate entity. She agrees with the previous speaker about the Arrowhead area. She said that, as her son explained at a previous meeting, the Reclamation Plant is the same thing as the land. She said that they are both reclamation plants, but that one is the land and the other is a building. She said both provide water for the green areas, common areas, the right-of-way, or the properties. She stated the Town site Act provides that the city is responsible for providing the water for irrigation. Her research has shown the city of Tempe Irrigation customers get 11 months of year and customers get rebate for mature tree areas. She pointed out that the climate has changed. She said that a tree will live a long time if it gets water. She mentioned trees toppling during storms in areas north of the canal but trees south of the canal seldom fall over since trees build roots down with deep watering and build out with shallow watering.

Chairman Short stated the WSAC has received a lot of information. He asked the Commission what recommendations they will be recommending to the Council. He asked if the Commission would be recommending if irrigation should continue. He stated several issues have been brought forward and need answers, such as new customers, maintenance of the system, update of the 1992 study, rate structures, and if the system should pay for itself. He requested a less formal setting for discussions and information such as a workshop.

Mr. Johnson reminded the Commission the item is not for action, but was presented for information and discussion only. He also stated the rate evaluation(s) will be done after Council presentation, sometime after the first of the year.

Comm. Schwierjohn stated he would like to listen to the October 7 Workshop presentation and gather information from there. He asked about the costs of projected area repairs and the CIP cost amounts needed to get system up to a useable system. Chairman Short replied that the 1992 costs for study were \$7M.

Comm. Schwierjohn would like current costs or what would the \$7M equate to in current dollars and Mr. Johnson replied an update would be provided at the December meeting.

Vice-Chair Liebman asked what else needs to be done since the study was done. Chairman Short stated he believes options need to be found to pay for bringing the system up to standard. He stated one suggestion has been for ratepayers to pay a bit each month to build up a reserve. He said he also feels a study needs to be done to determine what work will be done in each year.

Comm. Schwierjohn asked if there are any known additions that are needed, and if the provided costs are relevant and reasonable. He also asked how the costs would be addressed, and if they would be done over a dispersement schedule. Mr. Johnson reminded the WSAC that the way the system is set up and the way the ordinance is done, the cost to do something such as this is to be borne by the people that receive the service. He commented the system is working right now because people are getting their water delivery; however the nature and the age of the system is such that any repairs done right now could come up again over the winter and other repairs could pop up. He stated that information would be brought back to the Commission.

Comm. Gehl clarified that the dollar amount of rehab in 1992 study is a one-time total rehabilitation of the whole system but it appears to him that the majority of system is fine. Chairman Short agreed and said he feels there are issues with gates and valves.

Comm. Gehl said he feels that increasing the number of customers would decrease the cost in an economy of scale, but he feels the SRI contract doesn't work that way. Mr. Johnson explained that the bid is set as to the number of potential users, not on the size of the lots. The vendor placed the bid based on the estimated time it will take to keep system working for the number of users.

Dr. Kupel added that the bottom line is that the city loses money on each customer it has. If more customers are added, the city continues to lose money because the customers are not charged enough to fully recover the costs for the service. He continued if there were 400 customers, there would be additional revenues but there would also be additional expenses. He explained the city loses 50 cents on the dollar. He said it is the issue of losing money on each item, and that even if additional customers were added, money would continue to be lost.

Chairman Short added that currently the revenue return is 30%, and if the number went to 400 it would produce a 50% return so it is getting better.

Comm. Gehl asked if the cost of providing irrigation services was not computed as the average over five years and with a greater number of customers that higher number would become part of the average and would even out. The city would just be playing a little bit of catch up. He questioned if the cost contained the higher customer number for four years, if by the fifth year it would be a rolling average.

Mr. Johnson explained that the contract is based on the number of lots provided by the city that must be planned for and a vendor, in this case Salt River Irrigation (SRI), estimates time and costs it would take to bring service to that number.

Dr. Kupel added that the numbers come from the original contract. He explained that if one takes the cost of maintenance plus the cost of water, the city is not collecting enough money to fully recover the costs.

Comm. Gehl stated that SRI is the company who bids on the contract. He explained he has done research and there are no other companies that provide this service. He feels the city is a victim to whatever SRI wants to charge.

Chairman Short explained that prior to the contract being bid out, city staff completed the work. Once the change occurred, a savings of about \$50,000 was realized.

Mr. Johnson then explained the city's procurement process and stated nothing prohibits the city from awarding the contract to a single bidder. He explained that in FY2011-12 the budget was presented to the Council and Mayor Scruggs selected irrigation as an area needing improvement due to cost.

He reiterated that if any owner who wants to be on system, the department will meet with them and discuss options. He added staff will try to tighten up costs. He explained that the system does have maintenance issues but needs to be balanced with efforts to minimize damage outside of the system.

Chairman Short asked staff to work on reasonable addition of new customers. Mr. Johnson replied that the system can support 468 customers. But some do not want irrigation and some believe they cannot get it. He confirmed staff will meet with any owner who thinks they want to get it to review the system on their property.

Chairman Short stated he feels if valves and gates were improved, they could allow more users receive the service. Mr. Johnson pointed out that valves and gates are metal and they rust and wear out.

Comm. Schwierjohn said the \$7M figure is for a whole new system. He requested figures on what the dollar amount that needs to be spent to continue to provide service, and what cost challenges lie ahead. Mr. Johnson stated the service level will either increase or stay the same.

Vice-chair Liebman stated the irrigation services have been outsourced now for three years. He asked if there is a record of the repairs done. Mr. Johnson stated that complete records have been kept. Mr. Johnson explained his goal for SRI is for all repairs that are called in are completed and then logged. This information can present deeper information on repair causes.

Mr. Johnson said he would check on holding information meetings in an informal workshop setting. He explained the meetings would need to be posted and noticed if four or more members are present. He further explained that WS staff can provide historic information and numbers but the same four proposals that have been presented for years have again been presented.

Comm. Faulls asked if information on possible grants had been gathered. Mr. Johnson stated staff will look into it and report at next meeting.

One person submitted a card to speak on the issue.

Karen Jackson, N. 50th Drive- property owner in Floralcroft area, stated she has observed a worker comes out for 10 minutes of turn on and turn off water with one valve located on her property. She estimates that on a contract price of \$98,000, this equates to a cost of \$31.10 per lot per 10 minutes of

work. She stated she is also an SRP irrigation customer and pays same amount for it, however receives much more water for her lots. She stated she is an electrical contractor and feels the city needs to do another bid. She also feels the water comes on at too high a pressure setting and is shut off before her lot is thoroughly flooded. She would like to know if the people want to run it. She recommends the Commission go out into the field and look at the system and/or a water delivery to get an idea of it.

Action: Information only, No action required

Commissioner Gehl commented on the public records request made for a copy of the Irrigation map book. He asked if it is the city's policy that the irrigation infrastructure is considered critical infrastructure. He stated he was a newspaper reporter in a past job and often filed Freedom of Information requests. He feels this was a "go away" response. Mr. Johnson replied all the Water Services sites and infrastructure are covered under the Homeland Security Act as critical infrastructure. Water lines and wastewater lines are laid in streets in addition to irrigation delivery lines. He explained that if a request is made for one specific area, that request is granted. Mr. Johnson explained the request was fulfilled for one page of the map only after review by the city attorney's office. Comm. Gehl feels it was too pat an answer.

VI. CITIZEN REQUEST TO TELEWISE COMMISSION MEETINGS

Craig Johnson, P.E., Director, presented information to the Commission.

Mr. Johnson explained that a recommendation had been made to televise the WSAC meetings. He asked the Commission if they wished staff to research what would be involved as to the cost to televise the meetings, coordinate Channel 11 schedules, and so on.

Chairman Short said that the city has 18 boards & commissions and only one is televised. He explained that the Planning Commission is televised because of the site specific and possibly contentious items that board deals with. He feels WSAC items are not like what the Planning Commission deals with. He wonders how this will look to other commissions. He stated this Commission does not have too many exciting items except urban irrigation and possibly rate structures.

Comm. Faulls stated she is neutral on it, but worries it might not be cost effective.

Comm. Gehl asked if the meeting room was set up with cameras. Dr. Kupel stated it was set up with cameras for use in webcasting. Comm. Gehl noted that if agenda topic is not irrigation, everybody in the audience gets up and leaves. He said there is no audience for buying a camera truck or discussing the budget. He points out the staff would need to schedule time on Channel 11. He stated that in the year of meetings the WSAC has held, the only time a WSAC meeting had an audience was for irrigation; and if it is not irrigation, then there is no audience. He said that if in six months, the meetings still have 50-60 people in audience that are active and engaged then yes, he would support it. He said he does not see the devoted following needed.

Vice chair Liebman also does not see a need at this time.

Comm. Schwierjohn stated he also echoes Comm. Gehl's comments. He said that citizens have shown their interest is not the Water Services Commission and fears it would be a huge waste of money.

One person spoke:

Robin Berryhill, N. 59th Lane-asked the Commission to consider how the Planning Commission can function without water. She pointed out at the Council meetings that people leave once their area of interest is completed. She questioned how citizens can know all that was discussed if there is no video of the meetings. She would very much like to see the meetings televised so that any citizen that cannot attend can know what is being discussed. She likes the idea of workshops being held to present information. Tonight, Ms. Berryhill formally invited the Commission, Mr. Johnson, and everyone present to attend a citizens meeting she will host to help communications. She asked that several dates be presented and she will make the meeting(s) happen.

Comm. Gehl asked if the audio recordings could be posted on the WSAC website for 30 days or so. Dr. Kupel replied that those recordings are available and several Public Records Requests have been received for them and completed. The state retention schedule lists a three month retention policy for audio recordings.

Chairman Short asked if the recordings could be placed on the WSAC website. Dr. Kupel replied that yes they could be and staff will look into it.

Chairman Short also asked if the draft minutes can be posted on the website. Ms. Melling provided research conducted on Council protocol for posting draft minutes are posted on the city clerk website, and that paper copies are not provided. She explained an email version can be sent to a requestor. She stated Council agendas are posted on website with an embedded link to the draft minutes.

Ms. McKeever further clarified that draft minutes have been posted with this month's meeting agenda on the WSAC website and this practice will continue going forward. Ms. Melling pointed out the descriptive information on tonight's meeting agenda directly interested persons to the website for the draft minutes.

Chairman Short asked the Commission for a recommendation.

Comm. Faulls made a **MOTION** to continue the current meeting practice and not televise the meeting. Vice-chair Liebman **SECONDED** the motion.

Comm. Gehl asked if the motion should be to take no action. Comm. Faulls reiterated her original motion.

MOTION PASSED 5-0

VII. CALL TO THE AUDIENCE

Chair Ron Short reviewed the opportunity for audience members to address the Water Services Advisory Commission.

One person spoke:

Robin Berryhill, N. 59th Lane,-stated she feels not going to city hall is not transparent and is not in the best interest of the citizens of Glendale. She does not know why the Commission does not want to go to City Hall but feels it will not let the citizens know what is going on. She spoke earlier at a Council meeting about the Loop 303, and her concern is to separate how private providers will get the water there. She pointed out that Global Water has gone out of business already and now the area water users have EPCOR to provide water. She said El Mirage and Sun City water rates are horrible,

coming in at \$200-\$300/month. She has been told that the city is not responsible if a private company goes out of business, however, she does not believe it. She read from the General Plan 2025, page 8 "Water Service Area Rights: the city has the sole right to provide domestic water service to lands located within its water service areas and is obligated to provide water service to all lands within its designated water service area." She questioned if we are really going to leave citizens without water. SRP water is the cheapest water. CAP water is the most expensive. Now there are private provider water rates. She asked what water rates would be based on. She would like this issue addressed.

VIII. NEXT MEETING: December 3, 2014, 6 p.m.

IX. ADJOURNMENT – Motion to adjourn was made by Comm. Schwierjohn, seconded by Comm. Faulls. **MOTION APPROVED 5-0.** The meeting adjourned at 7:40 p.m.

Respectfully submitted,
Sally Melling, Recording Secretary