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**ADOPT A RESOLUTION SUPPORTING URBAN IRRIGATION AND ESTABLISH IRRIGATION SERVICE RATES PURSUANT TO GLENDALE CITY CODE (PUBLIC HEARING REQUIRED)**

Staff Contact: Craig Johnson, P.E, Director, Water Services

**Purpose and Recommended Action**

This is a request for City Council to conduct a public hearing, waive reading beyond the title and adopt a resolution supporting urban irrigation and implementing an irrigation rate increase effective upon adoption of the resolution.

**Background**

Urban irrigation has been a periodic item of interest by the community and the Council over the years because the system operates at a deficit. Going back to 1963, revenues have ranged from a low of 13% cost recovery to a high of 62% cost recovery. Over the past 15 years, revenues have covered approximately 28% of costs. A recent period of interest in urban irrigation began in response to inquiries by the Ad Hoc Citizen Task Force on Water and Sewers in 2012 and subsequent inquiry by the Water Services Advisory Commission (WSAC) starting after its creation in 2013.

“Urban irrigation” refers to the direct delivery of non-potable Salt River Project (SRP) irrigation water to locations in urbanized areas. Urban irrigation from open or underground ditch systems used for outside landscaping takes place in several locations in the Salt River Valley. This is a remnant from an earlier era. The vast majority of water customers in the Valley and Glendale now receive potable water only from a municipal delivery system for both inside and outside use.

In addition to concerns regarding cost recovery, Glendale residents have expressed a desire to receive recognition of the value urban irrigation plays in the community. It is considered by many to be a historical, environmental, and aesthetic asset to Glendale.

**Analysis**

The most-recent period of research and discussion regarding urban irrigation culminated on May 6, 2015, when the WSAC made several recommendations to Council concerning urban irrigation:

1. Move that a recommendation be made to Council that they preserve, protect, and maintain urban irrigation in the future.
2. Recommend to Council that when feasible as per staff suggestion that urban irrigation could be extended to those customers within the service area, subject to department analysis, and lots must be capable of safely taking delivery.

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3. Move that a recommendation be made to Council that new service customers are responsible for costs incurred for establishing new service and ensuring that property is up to standards so it can safely receive urban irrigation water.
4. Move that a recommendation be made to Council that urban irrigation be de-indexed to potable water rates and tie them to the direct cost of urban irrigation service.
5. Establish a fifty percent (50%) cost recovery rate roll forward over a 5 year period of 2010-2014, with the ultimate target of a fifty percent (50%) cost recovery rate to be reached at the end of the fifth year.
6. Make a recommendation to Council that the cost recovery program be delayed until supporting documentation is submitted by the city to support and define expenses assigned to urban irrigation.
7. Make a recommendation to Council that prior to implementation of a Capital Improvement fee program, that the city maintain and repair the system up to standards, with certification of the system by an engineering firm, for a period of 10 years.

At a November 17, 2015 workshop, Council reviewed the WSAC recommendations and provided direction to staff. The City Council expressed its support of WSAC recommendations one through six.

With regard to WSAC recommendation five, instead of a roll forward for the five-year period 2010-2014, Council directed staff to use revenue and expense data from FY2013 and FY2014 as the basis for the fifty percent (50%) cost recovery rate for the initial two years' increases. The rate increases for the next three years will be revised in April of 2018 when five years of revenue and expense data is available.

In reference to WSAC recommendation six, Council directed staff to return to the WSAC with a compilation of expense data for the commission to review. The WSAC reviewed the data provided by Water Services regarding costs assigned to urban irrigation on December 2, 2015 and concluded that the commission was satisfied that the documentation sufficiently supports and defines expenses related to this service.

Council also directed staff to include a twelve-month payment option for proposed urban irrigation rates, in addition to the single annual payment and seven-month payment options currently offered.

Council did not express support of requiring an engineering certification of the system as called for in WSAC recommendation seven.

The proposed resolution advances urban irrigation in a number of ways. It demonstrates the City's support of the urban irrigation program, and encourages new customers in the City

service area to join the system provided it is reasonable and safe to do so. It confirms that new customers are responsible for costs associated with extending service to their lots, and establishes that urban irrigation is a “cost of service” activity. By establishing a fifty percent (50%) cost recovery goal the proposed resolution provides balance between two City objectives for urban irrigation: preserving a traditional practice that adds to the ambiance of the community and ensuring urban irrigation customers pay a proportional share for the services they receive.

### **Previous Related Council Action**

Glendale has managed an urban irrigation program since 1912 when the City Council adopted Ordinance 27 and took over the obligation of distributing water and maintaining & repairing the existing irrigation distribution system. In 1914, Ordinance 27 was amended twice. The first amendment authorized that annual payments were to be collected in advance and the second amendment adopted a schedule of rates.

In 1960, the City Council adopted Resolution 588 which clarified that the property owner was responsible for the costs associated with the extension of the urban irrigation system to their lot. Resolution 588 specified that the City is responsible only for the maintenance and repair of the system, not extension of the system or new construction. Additionally, Resolution 588 specifies that the City makes the final decision on cost allocation regarding installation and extensions of the system.

In 2010, after a series of large annual rate increases for potable water customers, the Council made a decision to increase irrigation rates at a rate that matched increases for water rates. There has not been an increase in urban irrigation rates since July 1, 2010.

### **Community Benefit/Public Involvement**

Members of the public have been very involved in discussions regarding urban irrigation. In particular, urban irrigation customers have attended several meetings where urban irrigation was a key topic of focus for the WSAC. The commission discussed urban irrigation at seven of the ten meetings it held in FY2015. To date in FY2016, urban irrigation has been discussed at three commission meetings.

At a January 28, 2015 Ocotillo District Meeting, Councilmember Jaime Aldama hosted a discussion of urban irrigation. Members of the public asked questions regarding urban irrigation of WSAC members, City of Glendale Water Services Department staff, representatives from urban irrigation service provider Salt River Irrigation, and representatives from Salt River Project. Water Services hosted a follow-up meeting on February 4, 2015, which allowed residents and customers to ask additional questions and receive detailed answers.

The City Council has held two workshops on urban irrigation. WSAC Chairman Ron Short and Water Services staff provided an update on urban irrigation at an October 7, 2014 City Council

workshop in response to a Council Special Item of Interest referred by former Councilmember Norma Alvarez.

On November 17, 2015, the Council conducted a workshop to review the May 6, 2015, recommendations of the WSAC and provide direction to staff.

**Budget and Financial Impacts**

In FY2015, the urban irrigation program collected \$55,587 in revenue. The incremental increase to the fifty percent (50%) cost recovery rate will increase revenue an estimated additional \$3,900 in in FY2016 and again in FY2017.

The 1.00 lot size urban irrigation customers, when compared to the current rate of \$169.80 per year, will pay an additional \$11.08 in FY2016 and \$22.16 in FY2017.

**CITY OF GLENDALE**

**NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN THAT the City of Glendale City Council will hold a public hearing on June 14, 2016, at 6:00 p.m. in the Glendale Council Chambers Building, 5850 West Glendale Avenue, Glendale, Arizona, to hear the following:

**POLICY SUPPORTING URBAN IRRIGATION AND  
INCREASING IRRIGATION SERVICES RATES**

Written reports supporting urban irrigation and the proposed increase in the irrigation rates were made available for public inspection beginning the afternoon of May 17, 2016, in the office of the City Clerk. The City Clerk's office is located at 5850 West Glendale Avenue, Glendale, Arizona. Hours of business are between 8:00 a.m. and 5:00 p.m. weekdays. For further information please call Sally Melling at (623) 930-2721. Interested parties are invited to attend and participate in the public hearing. If you require special accommodations due to a disability, please contact Sally Melling at least three working days prior to the meeting. Hearing impaired persons should call (623) 930-2197.

CITY OF GLENDALE  
Kevin R. Phelps  
City Manager

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**Notice of Proposed Rate Change for Irrigation Services**

At its public meeting on April 12, 2016, the Glendale City Council will consider approving a resolution supporting urban irrigation and increasing irrigation service rates. Click [here](#) to view the current and proposed rate schedule.

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## IRRIGATION SERVICE CURRENT AND PROPOSED RATE SCHEDULE

	Rates effective:		
	July 1, 2010	2016	2017
DESCRIPTION	FLAT FEE	FLAT FEE	FLAT FEE
1.00 Lot - 7-Months	\$24.26	25.84	27.43
1.25 Lot - 7-Months	27.90	29.72	31.54
1.50 Lot - 7-Months	31.54	33.60	35.66
1.75 Lot - 7-Months	35.17	37.47	39.76
2.00 Lot - 7-Months	38.81	41.34	43.88
2.25 Lot - 7-Months	42.46	45.23	48.00
2.50 Lot - 7-Months	46.09	49.10	52.11
2.75 Lot - 7-Months	49.73	52.98	56.22
3.00 Lot - 7-Months	53.37	56.85	60.34
1.00 Lot - 12-Months	NA	15.07	16.00
1.25 Lot - 12-Months	NA	17.34	18.40
1.50 Lot - 12-Months	NA	19.60	20.80
1.75 Lot - 12-Months	NA	21.86	23.20
2.00 Lot - 12-Months	NA	24.12	25.60
2.25 Lot - 12-Months	NA	26.38	28.00
2.50 Lot - 12-Months	NA	28.64	30.40
2.75 Lot - 12-Months	NA	30.90	32.80
3.00 Lot - 12-Months	NA	33.16	35.20
1.00 Lot - Yearly	169.80	180.88	191.96
1.25 Lot - Yearly	195.28	208.02	220.77
1.50 Lot - Yearly	220.75	235.16	249.56
1.75 Lot - Yearly	246.23	262.30	278.37
2.00 Lot - Yearly	271.70	289.43	307.16
2.25 Lot - Yearly	297.16	316.55	335.95
2.50 Lot - Yearly	322.64	343.70	364.75
2.75 Lot - Yearly	348.11	370.83	393.55
3.00 Lot - Yearly	373.59	397.97	422.35
<b>Lot code / square feet range</b>			
1.00 / Less than 12,000			
1.25 / 12,001 - 15,000			
1.50 / 15,001 - 18,000			
1.75 / 18,001 - 21,000			
2.00 / 21,001 - 24,000			
2.25 / 24,001 - 27,000			
2.50 / 27,001 - 30,000			
2.75 / 30,001 - 33,000			
3.00 / 33,001 and larger			
Irrigation customers have the choice of being billed once for the entire season, being billed monthly for twelve months, or being billed monthly for seven months. Customers can be billed on their existing water account or separately under a unique account number.			