



Meeting Minutes

Citizen Rate Review Committee

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Tuesday, July 7, 2020

5:00 PM

Virtual Zoom Meeting

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**This meeting will be held virtually via Zoom.**

**CALL TO ORDER**

Chairman McErlean called the meeting to order at 6:01 p.m.

**ROLL CALL**

**Present:** 12 - Committee Member Booth, Committee Member Fallon, Committee Member Smith, Committee Member Nepomuceno, Committee Member Majeska, Committee Member Lombardo, Committee Member Lowell, Committee Member McErlean, Committee Member Minarik, Committee Member Perez, Alternate Gioia and Alternate Paine

**Excused:** 1 - Committee Member Deshuk

Staff Present: Public Works Director Javier Setovich, Public Works Deputy Director Barbara Chappell, and Water Resources and Sustainability Manager Gretchen Erwin

**MOTION BY Committee Member Nepomuceno to excuse Committee Member Deshuk, SECONDED BY Alternate Paine. The motion carried by the following vote:**

**Ayes:** 10 - Committee Member Booth, Committee Member Fallon, Committee Member Smith, Committee Member Nepomuceno, Committee Member Majeska, Committee Member Lombardo, Committee Member Lowell, Committee Member McErlean, Committee Member Minarik, Committee Member Perez, Alternate Gioia and Alternate Paine

**Excused:** 1 - Committee Member Deshuk

**APPROVE MINUTES**

[MINUTES](#)      Approve draft minutes of the Citizen Rate Review Committee meeting held on  
[2020-141](#)      March 11, 2020.

**MOTION BY Committee Member Fallon, SECONDED BY Committee Member Booth, to APPROVE the minutes of the Citizen Rate Review Committee meeting held on July 7, 2020. The motion carried by the following vote:**

**Ayes:** 10 - Committee Member Booth, Committee Member Fallon, Committee Member Smith, Committee Member Nepomuceno, Committee Member Majeska, Committee Member Lombardo, Committee Member Lowell, Committee Member McErlean, Committee Member Minarik, Committee Member Perez, Alternate Gioia and Alternate Paine

**Excused:** 1 - Committee Member Deshuk

### **CITIZENS COMMENTS/ APPEARANCES FROM THE FLOOR**

None.

### **BUSINESS**

#### **1. Proposed Schedule and Extended Timeline**

Facilitator Makinen reviewed the proposed schedule for the remaining meetings as follows: July 28, August 4, August 18, August 25, and September 1. She asked if anyone knew of conflicts they may have with the dates to ensure there would be a quorum at every meeting. Committee Member Perez was unsure about August 25 and Committee Member Lombardo is not available on August 18. There being no other conflicts, the meetings will be planned for these dates.

#### **2. Staff Presentations**

##### **2.1 Overview of Water Resources (Gretchen Erwin, Water Resource and Sustainability Manager)**

Water Resource and Sustainability Manager Erwin presented an overview of Water Resources. Committee Member Nepomuceno asked if they have questions after the meeting can they email them to Facilitator Makinen and have the responses disseminated to the committee and she confirmed. Throughout and following the presentation the committee members had the following questions and responses provided are also below preceded by an "A":

- How many acre feet of groundwater is there in Arizona's Water Supply? A: The number is always changing due to pumping but Erwin said she could look into the latest estimate.
- Do we have to replace groundwater in the same amount as withdrawn? A: Absolutely yes. We get a little break on incidental recharge on surface water that runs off and percolates into the aquifer. We have SAT (soil-aquifer treatment) recharge for effluent at Yuma and Estrella Parkway where there are basins to percolate. They're metered and subtract evaporation but we get credit for it. Right now we can't take our Colorado River allocation so we store it in the CAP recharge and get credit.
- Why are we not taking the allocation of CAP water now? A: We can't get it here. We have an agreement with SRP to take our water and deliver it to Avondale Boulevard in the future.
- What penalties are there for going over allocation without replacement? A: We would have to pay the Central Arizona Groundwater Replenishment District (CAGRD) to replenish it for us

and it is very expensive. We make sure we have enough.

- What does entitlement level mean [referring to the slide titled Planning]? A: In 2014/2015, we hired Carollo Engineers to do our Integrated Water Master Plan (IWMP) and they looked out at 5-10 year build-out horizons and total build-out. We really only focus on Water Planning Areas (WPA) 2 and 3 right now so between I-10 and Pecos. Entitlement levels are the certainty they had about the projection numbers. For instance, in an area that was already platted or built or if there were preliminary plats, that would be a one or two. A four would be an area where land had been identified in the General Plan but we didn't know if it would be residential or commercial or the density it would be, so they gave their best estimate.
- Is 7-8 years of stored water consistent or has the number been going up or down? A: We have had to dip in before but we have a 7,000 acre feet (AF) lease with Gila River Indian Community and can move 34,000 more into the aquifer this year so we will catch up.
- Can we sell our unused and not necessary allocation for operating funds to move water projects forward? A: We would never sell our allocation because it is our lifeline to the future. There is some opportunity for Colorado River on-river users but we're waiting to see what happens. The last thing we want to sell is our allocation but we could sell credits.
- What was the time period for the 48,169 AF demand projection? A: Build out is around 2085.
- How many households can an acre feet per year (AFY) support? A: About four.
- Our new surface water treatment facility that is being built, did we have a previous way to reclaim surface water? A: No. In the past, we recharged and got credit.
- What causes the CAP cost to jump from \$228 to \$253 in 2023? A: Delivery cost, equipment. What you'd expect...the cost to deliver and maintain the infrastructure.
- Is there any land in our area that has water rights that can be acquired? A: Agriculture has water rights but we have no control because they're grandfathered in. We could extinguish the rights to get credit on groundwater but it's a small amount and if we do we're still considered to be using groundwater. They aren't really water rights we can buy and apply.
- Can we join CAP? A: We are in the CAP service area. It's SRP we can't join.
- Where would a developer get water to develop Rainbow Valley? A: If they can get enough groundwater to meet the requirements or they can join CAGR to replace it for them. They would do the same things we're doing.
- When a farmland is developed into housing development, what happens to the water not used in farming? Is it converted to household use? A: That's part of the extinguishment process. We can extinguish the water rights and get credit. But, it's not a 1-to-1 conversion.

## 2.2 Overview of Water Treatment ( Barbara Chappell, Deputy Public Works Director, Utilities)

Public Works Deputy Director Chappell presented an overview of Water Treatment. Throughout and following the presentation the committee members had the following questions and answers provided are also below preceded by an "A":

- Is there a plan to extend service north of the I-10? A: No, those service areas are already

established and served by EPCOR and Liberty Utilities.

- Due to the amount of salt in our water, is there a huge amount of maintenance needed? What are the costs? A: It is corrosive and can cause equipment failures and we have a lifecycle schedule for replacement. We are moving to a more preventative type of maintenance.
- Does Goodyear use alternate power sources to create the electricity needed to move the water? If not, are there state or federal grants that could be applied for to minimize long-term costs? A: We don't currently have solar at the facility, but we've done studies and look at it regularly. We won't do it just to do it, there has to be a return on investment. We always look for grants.
- Why are we using Reverse Osmosis systems? A: Because of the water quality. It's the only treatment that makes sense.
- Would it be worthwhile to reduce the volume of lost water from 8.5% to a lower percentage? A: Yes, we are working toward it. For example, we have two CIP projects aimed at reducing water losses, one to replace water line in Historic Goodyear and another to over half of our meters because they are over 13 years old since their lifetime is typically about 15 years.
- Is the cost of our water infrastructure 100% allocated to all taxpayers even if not all are serviced by the City, or only those serviced get the assessment? A: Our system is not a tax. The rates pay for operation and maintenance and there are impact fees to new development which pay for Capital Improvement projects. The operations and maintenance budget are rate-based so only those served by the system pay for its operation and maintenance.
- Sites 13 and 23 in Estrella Mountain Ranch are what type of infrastructure? A: Booster stations. There is a reservoir and booster pumps.
- As the City continues to grow, do you anticipate further expansion of the Water Treatment Facility? A: Yes, the first phase is 8 million gallons per day (MGD) and the second phase is also 8 MGD so it will be an eventual 16 MGD.
- Has Newland started infrastructure changes for this water pipeline in Estrella Mountain Ranch area for sites 13 and 23? What is the ETA for completion? A: They are building a 30" waterline but nothing at sites 13 and 23. The City is doing that, and it should go out to bid in a couple of months.
- The pipeline that Newland is building is only 30". Wouldn't it make sense to put in a 60" line and make up the difference? A: The way it works is that Newland fronts the money and then through impact fees included in building permits, we then reimburse Newland. Based on modeling a 30" line is all that is needed for future development.
- So, the City is paying Newland for this 30" pipeline or they are sharing the costs with the City? A: Newland pays up front for it and we reimburse them with impact fees collected.
- Where is this 30" pipeline going? Estrella Parkway? A: It starts at the roundabout at Estrella Parkway and Cotton Lane, goes through the desert to site 13 and connects into Willis where there is existing infrastructure.
- Will the new Water Treatment Facility allow the City to expand the maintenance window? A: Yes, we will get to the position where we have redundancy in the system that will allow for maintenance any time of the year.
- Can you give us the cost of the new Water Treatment Facility we are now constructing? A: The

budget is \$129 million

- Do the water rates over the next five years incorporate this into them? A: It was funded through a series of bonds and partially through impact fees, but the ongoing operations and maintenance is included in the 5-year rate plan you are here to review.

Facilitator Makinen reminded the members that they can email questions to her as well. Chairman McErlean requested a link to the last Rate Review Committee's information and the Water Conservation Committee report. He also requested a link to the meeting posting. Finally, Makinen will provide a glossary of acronyms for the next meeting.

### **QUESTIONS FROM THE PUBLIC**

None.

### **INFORMATION ITEMS**

None.

### **NEXT MEETING**

The next meeting is scheduled for July 28, 2020 at 5:00 p.m.

### **ADJOURNMENT**

There being no further business to discuss, Chairman McErlean adjourned the meeting at 7:04 p.m.

Respectfully Submitted by:

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Chairman Name, McErlean

Date: \_\_\_\_\_