



## City of Goodyear

### Meeting Minutes

#### City Council Work Session

Mayor Georgia Lord  
Vice Mayor Sheri Lauritano  
Councilmember Joanne Osborne  
Councilmember Joe Pizzillo  
Councilmember Wally Campbell  
Councilmember Bill Stipp  
Councilmember Sharolyn Hohman

Meeting Location:  
Goodyear Justice Center  
14455 W. Van Buren St.,  
Suite B101  
Goodyear, AZ 85338

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Monday, June 15, 2015

5:30 PM

Goodyear Justice Center

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**Immediately following the Community Facilities District Meeting  
that begins at 5:00 PM**

**1 CALL TO ORDER**

Mayor Lord called the Work Session to order at 5:40 p.m.

**2. ROLL CALL**

**Present** 7 - Mayor Lord, Vice Mayor Lauritano, Councilmember Osborne, Councilmember Pizzillo, Councilmember Campbell, Councilmember Stipp, and Councilmember Hohman

Staff Present: Brian Dalke-City Manager, Roric Massey-City Attorney and Maureen Scott-City Clerk

**3. AGENDA ITEMS FOR DISCUSSION:**

- 3.1** [15-5573ws](#) Council will receive information on the Integrated Water Master Plan (IWMP) 5-year Capital Improvement Plan (CIP), 5-year water and wastewater rate plan, and discuss the Water Planning Committee recommendations report. (Bob Beckley, Deputy City Manager; Anna Dizack, Administrative Services Supervisor; and Sherine Zaya, Communications Manager)

Bob Beckley, Deputy City Manager, and Anna Dizack, Administrative Services Supervisor, presented.

The Water Planning Committee has been working on this issue over the past nine months. Beckley introduced Chairman Mario Columbia and Vice Chairman Jason Battern of the Water Planning Committee. Beckley reviewed the duties and recapped the timeline and mission of the Committee.

Dizack reviewed the Water Planning Committee Recommendations Report. The last major modification to the city's utility rates was adopted on May 18, 2009, which was effective January 4, 2010.

Columbia reviewed the meeting dates and meeting topics for each of the nine meetings.

Staff spent a great deal of time reaching out to the public via emails and social media. Dizack reviewed the outreach methods that were used to involve the public.

Richard Humpherys with Corollo Engineers spoke about the five-year Capital Improvements Projects (CIP). The project purpose was to identify water and wastewater projects needed for reliable water and wastewater service to existing Goodyear customers.

He reviewed the measurement criteria that was used in making their recommendations. Water supply is the most costly category of capital improvements. He summarized project recommendations and the cost of each project. The estimated subtotal of the recommended water projects is \$38.9M. The sub-total of the wastewater projects is \$12.5M. There is an additional \$5.9M in previously identified city wastewater projects for a total of \$57.34M.

Council Discussion:

>Concerned that there were only three public comments received. Would like to know how many articles were actually published in the newspapers and picked up by the news media. Communications Manager Sherine Zaya responded that she can get those numbers and report back.

>What additional capacity is needed? Humpherys responded that we need to have at least one extra well during high peaks in case one well fails. For storage, there should be at least one day in reserve. Each pumping station also needs a spare pump to meet peak demand periods, and also to have one in reserve in case one fails.

>What is a manhole cover failure? Humpherys stated that it isn't the cover that fails, it is the bricks or concrete within the manhole that degrades. You don't want it to degrade to the point where the wastewater erodes the soils and affects the roadway.

>Thanked the Committee for their time and hard work.

>Would like to see a report on how the CIP is going to be funded.

>Asset Management: Is some of CIP equipment replacement built into the rates? Beckley responded that the proposed rate increase should sufficiently fund any necessary equipment replacement.

>How can we slow down the growth of water consumption? Will we be looking at conservation methods and practices? Beckley responded that there was a lot of discussion on various conservation methods. This information will be coming back to Council once the study is complete.

>There is a strategy used in determining water rates and how they relate to use.

>We need to educate the public and reach out to them about water conservation.

>Discussed criteria that will be used in determining well locations.

>Discussed an Incentive Fund in planning for water reserves.

Mayor Lord recessed the Work Session at 6:31 p.m.

Mayor Lord reconvened the Work Session at 6:43 p.m.

Columbia reviewed the Water Planning Committee Recommendation Report.

Key Factors Impacting Future Rates:

- \*Capital improvements (Five-Year CIP)
- \*Existing budget expenses
- \*Budget supplementals
- \*CAP water costs (water rates only)
- \*Impact fee reimbursements and line oversizing

Recommendations:

- \*Five-Year CIP projects

**Water Projects**

- >Water Supply
- >Pumping
- >Water Storage
- >CAP Capital
- >Bullard Campus Treatment Rehabilitation
- >Water Main Replacements

**Wastewater Projects**

- >Rainbow Valley WRF Improvements
- >Corgett WRF Improvements
- >Goodyer WRF Improvements
- >Lift Station and Force Main Improvements
- >Collection System Improvements
- \*Central Arizona Project (CAP) water rate and inclusion as a separate line item on customer bills
- \*Further examination of multi-family and commercial rate structures and cost of service
  - >In a manner that does not change the recommendations on residential rates or rate structures
- \*Line oversizing and impact fee reimbursement
- \*Water/wastewater rates
  - >Reduced impact of rates in initial year by phasing-in programs and costs
- \*Non-rate fees and charges
- \*Implement another water citizen group to continue the efforts made by the Water Planning Committee

Dan Jackson, Managing Director and Chief Economist with Economists.com, reviewed proposed rate plans. He reviewed the Water and Wastewater Utility Forecast Cost of Service. This is a forecast of what the rates are projected to be over the next five years.

Costs of services and rates need to be run like a business. We want the ratepayers to pay what it is costing us to provide the service, and rate increases need to be passed onto the customers.

CAP water rates will increase significantly over the next five years.

Jackson reviewed the rate plan that needs to be put into place in order to recover the increased costs over the next five years.

The proposed rate structure encourages conservation and minimizes the effect on low-volume consumers. Every user would be affected differently based on their water usage.

They are recommending gradual rate increases beginning January 2016, and rates would automatically increase on January 1 of each year.

Wastewater rate recommendations are much more modest than water rates.

Jackson reviewed how rates will affect average residential rate payers over the next five years. Rates will increase from \$71.65 to \$98.69 per month over the next five years. Commercial rate payers will increase from \$534.25 to \$745.76 per month over the next five years (based on 50,000 gallons of water, and 40,000 gallons of wastewater per month)

Jackson reviewed proposed increases to non-rate fees and charges.

Dizack reviewed the next steps in the water planning and rate increase process.

**Council Discussion:**

- >How will this affect the majority of residents? Jackson stated that the average residential customer uses 7,000 gallons per month. The majority of bills will be at the lowest volume rate. Most water usage comes from outdoor discretionary usage.
- >Suggests that the new CIP line item is explained to the customers on their bill each month.
- >Educate large water users so they can budget accordingly over the next five years.
- >Possibly include graphs that show usage to customers as part of our educational efforts.
- >Why is the security deposit for non-residential customers being increased from \$250 to \$650? Jackson responded that best practice is to collect two months of an average bill. The current rate doesn't provide us with very much security because the average monthly bill is \$500.
- >Would like to see how the commercial security deposit compares to rates and policies of other cities in the valley.
- >Possibly base the deposit on square footage.
- >Concerned that September may be too soon to adopt the new rates. Dizack responded that staff needs adequate time to meet legal deadlines before the rates are implemented on January 1, 2016. Beckley responded that staff will report back to Council with the latest dates needed in order to implement the new rates on January 1, 2016.
- >Would like as much time as possible to get the message out to the public about the rate increases before they are implemented.
- >How do our rates compare to Liberty Water rates? City Manager Dalke responded that staff will be providing rate comparison information to Council. The new proposed rates will only affect the users south of I-10.
- >Would like to move the rate changes adoption to October 26 which would move the effective date to February 1st.
- >Staff will check to see if the January 1st date can still be kept even with an October 26th adoption consideration.

#### **4. INFORMATION**

Councilmembers' Report on Current Events

>Today is World Elder Abuse Awareness Day.

**5. ADJOURNMENT**

There being no further business to discuss, Mayor Lord adjourned the Work Session 7:47 p.m.

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Maureen Scott, City Clerk

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Georgia Lord, Mayor

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