

SCOTTSDALE CITY COUNCIL
REGULAR MEETING AND WORK STUDY SESSION MINUTES
TUESDAY, APRIL 25, 2023



CITY HALL KIVA
3939 N. DRINKWATER BOULEVARD
SCOTTSDALE, AZ 85251

CALL TO ORDER

Mayor David D. Ortega called to order a Regular Meeting and Work Study Session of the Scottsdale City Council at 5:00 P.M. on Tuesday, April 25, 2023 in the City Hall Kiva Forum.

ROLL CALL

Present: Mayor David D. Ortega; Vice Mayor Kathy Littlefield; and Councilmembers Tammy Caputi, Tom Durham, Barry Graham, Betty Janik, and Solange Whitehead

Also Present: City Manager Jim Thompson, City Attorney Sherry Scott, City Treasurer Sonia Andrews, Acting City Auditor Lai Cluff, and City Clerk Ben Lane

PLEDGE OF ALLEGIANCE – Councilmember Tom Durham

MAYOR'S REPORT

Mayor Ortega asked for a moment of silent reflection for the people of Ukraine as they continue their fight for freedom and democracy.

Mayor Ortega announced the City is celebrating Earth Week which began with Earth Day on April 22, 2023 and continues through Arbor Day on April 28, 2023. He invited everyone to a tree planting ceremony at Chapparal Park beginning at 8:00 a.m. He noted more information about Earth Week events could be found at scottsdaleaz.gov by searching for "Earth Week".

PUBLIC COMMENT – Dan Ishac, a Scottsdale resident, commented on the positive results found in the 2023 Scottsdale Community Survey.

NOTE: MINUTES OF CITY COUNCIL MEETINGS AND WORK STUDY SESSIONS ARE PREPARED IN ACCORDANCE WITH THE PROVISIONS OF ARIZONA REVISED STATUTES. THESE MINUTES ARE INTENDED TO BE AN ACCURATE REFLECTION OF ACTION TAKEN AND DIRECTION GIVEN BY THE CITY COUNCIL AND ARE NOT VERBATIM TRANSCRIPTS. DIGITAL RECORDINGS AND CLOSED CAPTION TRANSCRIPTS OF SCOTTSDALE CITY COUNCIL MEETINGS ARE AVAILABLE ONLINE AND ARE ON FILE IN THE CITY CLERK'S OFFICE.

MINUTES

Request: Approve the following Council meeting minutes from April 2023:

- a. **Special Meeting Minutes of April 4, 2023**
- b. Executive Session Minutes of April 4, 2023
- c. **Regular Meeting Minutes of April 4, 2023**

MOTION AND VOTE – MINUTES

Councilmember Durham made a motion to approve the Special Meeting Minutes of April 4, 2023; Executive Session Minutes of April 4, 2023; and Regular Meeting Minutes of April 4, 2023. Councilwoman Janik seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Littlefield; and Councilmembers Caputi, Durham, Graham, Janik, and Whitehead voting in the affirmative.

CONSENT AGENDA

1. **Ajo Al's Mexican Cafe Liquor License (15-LL-2023)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for an existing location with a new owner.
Location: 6990 E. Shea Boulevard, Suite 126
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
2. **Ajo Al's Mexican Cafe Liquor License (16-LL-2023)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for an existing location with a new owner.
Location: 9393 N. 90th Street, Suite 122
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
3. **Rudy's Country Store Bar-B-Que Liquor License (23-LL-2023)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for a new location and owner.
Location: 15257 N. Northsight Boulevard
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
4. **Family Self Sufficiency Grant**
Request: Adopt **Resolution No. 12728** to authorize:
 1. Acceptance of a Family Self Sufficiency Grant, in the amount of \$84,714, from the U.S. Department of Housing and Urban Development effective January 1, 2023.
 2. A budget transfer, in the amount up to \$84,714, from the adopted Fiscal Year 2022/23 Future Grants Budget and/or Grant Contingency Budget to a newly created cost center within the Section 8 Housing Fund to record the related grant activity.
 3. The City Manager, or designee, to execute a grant agreement and any other documents, and to take such other actions as necessary to carry out the intent of this Resolution.**Staff Contact(s):** Greg Bestgen, Human Services Director, 480-312-0104, gbestgen@scottsdaleaz.gov

5. Employee Healthcare Benefit Contract Extension

Request: Adopt **Resolution No. 12796** authorizing Contract No. 2023-052-COS with Life Insurance Company of North America (New York Life) for an additional one-year extension period beyond the five years administratively authorized for life insurance, accidental death and disability, voluntary life insurance, short-term and long-term disability insurance, and business travel accident insurance services.

Staff Contact(s): Monica Boyd, Human Resources Director, 480-312-2615, mboyd@scottsdaleaz.gov

MOTION AND VOTE – CONSENT AGENDA

There was no public comment on the Consent Agenda.

Vice Mayor Littlefield made a motion to approve Consent Agenda Items 1 through 5. Councilwoman Whitehead seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Littlefield; and Councilmembers Caputi, Durham, Graham, Janik, and Littlefield voting in the affirmative.

REGULAR AGENDA

6. Public Hearing on Ratifying and Affirming Scottsdale Revised Code Chapter 16 Occupational Licensing Requirements

Requests:

1. Hold a public hearing to consider ratifying and affirming Scottsdale Revised Code, Chapter 16 Occupational Licensing requirements to protect the health, safety, or welfare of the public.
2. Adopt **Resolution No. 12807** determining that occupational licensing requirements as set forth in Exhibit A to this Resolution are necessary to protect the health, safety, or welfare of the public and shall be continued in full force and effect in accordance with their terms.

Presenter(s): Sarah VanGoethem, Tax and License Manager

Staff Contact(s): Whitney Pitt, Business Services Director, 480-312-5925, wpitt@scottsdaleaz.gov

Tax and License Manager Sarah VanGoethem gave a PowerPoint presentation (attached) on the ratification and affirmation of occupational licensing requirements.

Mayor Ortega opened the public hearing and noting there were no public comments, closed the public hearing.

MOTION AND VOTE – ITEM 6

Mayor Ortega made a motion to adopt Resolution No. 12807 to ratify and affirm Scottsdale's Revised Code Chapter 16, Occupational Licensing requirements to protect the health, safety, or welfare of the public. Councilmember Graham seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Littlefield; and Councilmembers Caputi, Durham, Graham, Janik, and Whitehead voting in the affirmative.

- 7. Proposed Fiscal Year (FY) 2023/24 Operating Budget and Capital Improvement Plan**
Request: Presentation, discussion, and possible direction to staff regarding the Proposed FY 2023/24 Operating Budget and Capital Improvement Plan.

Presenter(s): Sonia Andrews, City Treasurer and Alison Tymkiw, City Engineer
Staff Contact(s): Judy Doyle, Budget Director, 480-312-2603, jdoyle@scottsdaleaz.gov

City Treasurer Sonia Andrews and City Engineer Alison Tymkiw gave a PowerPoint presentation (attached) on the proposed FY 2023/24 Operating Budget and proposed FY 2023/24 Capital Improvement Plan, respectively.

Mayor Ortega opened public comment.

Laura Schwartz spoke in favor of the 68th Street sidewalk capital improvement project.

Mayor Ortega closed public comment.

Councilmembers made the following suggestions:

- Have the Tourism Development Commission provide input related to projects being financed out of the Tourism Development Fund Operating Budget.
- Provide additional information related to projects at WestWorld, including tracking revenue and expenses separately.
- Provide comparison information on neighboring cities' property taxes, including the average assessed values versus the assessed property rate.
- Include the changes to the Capital Improvement Plan Budget as suggested by the City Council during the Council Retreat held April 13, 2023, including Ashler Hills and Second Street projects.
- Provide more information on projects that would be affected if the Proposition 400 transportation tax is not extended.

PUBLIC COMMENT – None

CITIZEN PETITIONS

8. Receipt of Citizen Petitions

Request: Accept and acknowledge receipt of citizen petitions. Any member of the Council may make a motion, to be voted on by the Council, to: (1) Direct the City Manager to agendize the petition for further discussion; (2) direct the City Manager to investigate the matter and prepare a written response to the Council, with a copy to the petitioner; or (3) take no action.

Staff Contact(s): Ben Lane, City Clerk, 480-312-2411, blane@scottsdaleaz.gov

No citizen petitions were received.

WORK STUDY SESSION

The City Council recessed at 6:45 P.M.

The City Council reconvened at 6:55 P.M.

PUBLIC COMMENT – Alex McClaren noted that although winter rains increased water levels in Lake Mead and Lake Powell, the City should still plan for worst case scenarios. Mr. McLaren expressed support for the additional water conservation measures proposed by staff.

1. Colorado River Drought and Shortage Update

Request: Presentation, discussion, and possible direction to staff regarding the Colorado River Basin drought and shortage based on the United States Bureau of Reclamation April 2023 24-Month Study and proposals of additional water savings by the Basin states.

Presenter(s): Brian Biesemeyer, Water Resources Executive Director

Staff Contact(s): Brian Biesemeyer, Water Resources Executive Director, 480-312-5683, bbiesemeyer@scottsdaleaz.gov

Water Resources Executive Director Brian Biesemeyer introduced the item.

Water Policy Manager Gretchen Baumgardner gave a PowerPoint presentation (attached) on the Colorado River drought and shortage.

Councilmember Graham made the following suggestion:

- Provide additional information on the percentage of water that comes to Arizona through the Central Arizona Project canals.

2. Additional Water Conservation Measures Update

Request: Presentation, discussion, and possible direction to staff regarding additional conservation measures to be implemented to follow the Memorandum of Understanding by and among Colorado River Basin Municipal and Public Water Providers to reduce water demand.

Presenter(s): Brian Biesemeyer, Water Resources Executive Director

Staff Contact(s): Brian Biesemeyer, Water Resources Executive Director, 480-312-5683, bbiesemeyer@scottsdaleaz.gov

Water Policy Manager Gretchen Baumgardner gave a PowerPoint presentation (attached) on additional water conservation measures.

There was consensus by the City Council to direct staff to gather additional data related to water usage savings, proposed programs (including voluntary versus mandatory), and costs associated with:

- Watering time restrictions
- Front lawn restrictions on new homes
- New swimming pool size restrictions for single-family homes
- New single-family residence fountain prohibitions
- Strip and non-functional turf prohibition
- Automatic WaterSmart enrollment with new accounts
- Limitations on sewer charge adjustments
- Reduce threshold for Principle 4: Water and Land Use Management related to Scottsdale's Sustainable Water Management Principles.

Once the data is gathered, staff should present their findings at a future Council Meeting.

Councilmembers made the following suggestions:

- Compare conservation requirements between the Southern Nevada Water Authority and the Arizona Department of Water Resources and provide this information to the City Council.
- Review developments using over 100,000 gallons of water per day and those using 50,000 gallons of water per day and provide this information (without identifying individual users) to the City Council.
- Consider what incentives could be utilized to encourage water conservation efforts among existing homeowners.
- Staff should present their findings before the Council Summer break.

MOTION AND VOTE – ADJOURNMENT

Councilmember Graham made a motion to adjourn the Regular Meeting and Work Study. Vice Mayor Littlefield seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Littlefield; and Councilmembers Caputi, Durham, Graham, Janik, and Whitehead voting in the affirmative.

ADJOURNMENT

Mayor Ortega adjourned the Regular Meeting and Work Study Session at 7:53 P.M.

SUBMITTED BY:



Ben Lane, City Clerk

Officially approved by the City Council on

June 13, 2023

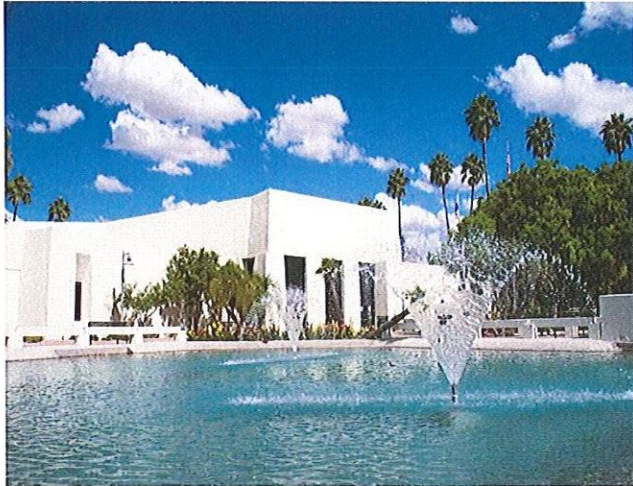
C E R T I F I C A T E

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular Meeting and Work Study Session of the City Council of Scottsdale, Arizona, held on the 25th day of April 2023.

I further certify that the meeting was duly called and held, and that a quorum was present.

DATED this 13th day of June 2023.


for Cathleen Buttweg, Deputy
Ben Lane, City Clerk



RATIFY AND
AFFIRM
SCOTTSDALE
REVISED CODE
CHAPTER 16
OCCUPATIONAL
LICENSE

CITY COUNCIL
APRIL 25, 2023

1

BACKGROUND

- Occupational Licenses
- A.R.S. 9-842- Regulation of occupation, trade or profession.
- Public Notice published in Arizona Republic April 11-20,2023

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ACTION

Adopt Resolution 12087 to Ratify and Affirm Scottsdale Revised Code Chapter 16 Occupational Licensing requirements to protect the health, safety and welfare of the public.

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**FY2023/24
PROPOSED BUDGET
AND
CAPITAL IMPROVEMENT PLAN (CIP)**

Presented by
Sonia Andrews – City Treasurer
Alison Tymkiw – City Engineer

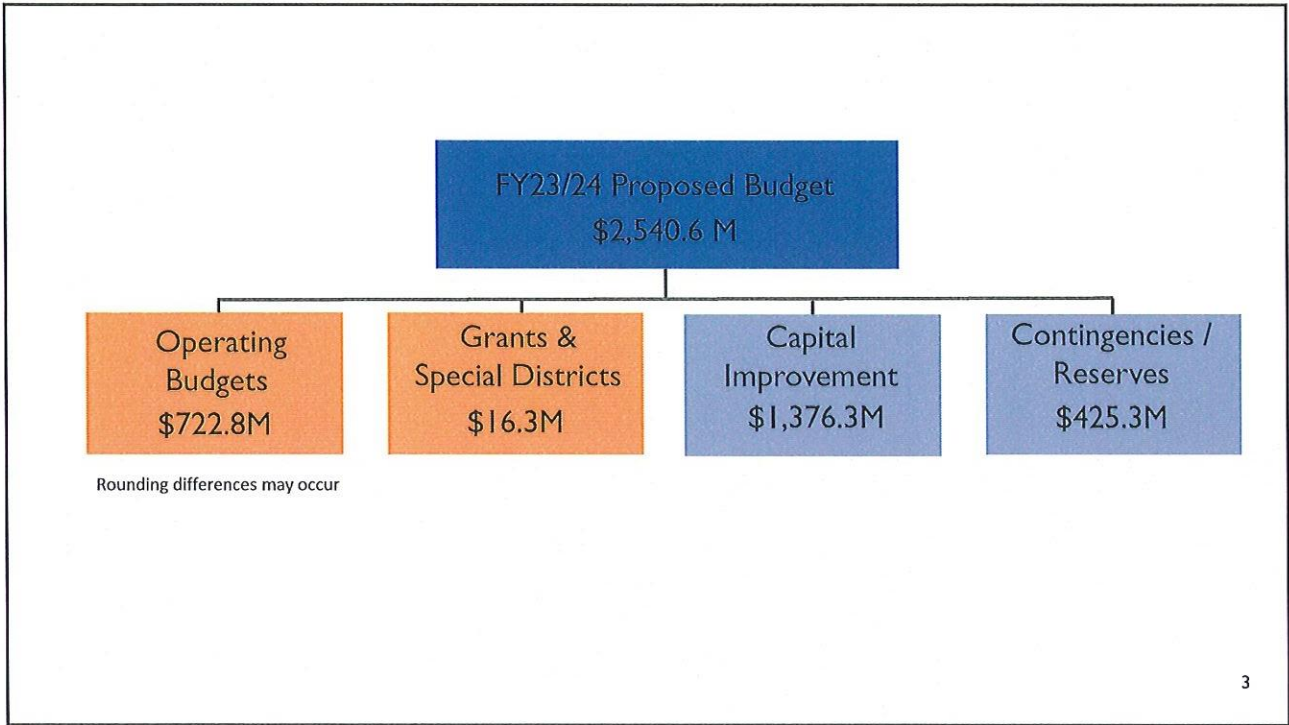
City Council Meeting
April 25, 2023

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	Tue, April 4	Proposed Budget and CIP Published
FY2023/24 BUDGET AND CIP	Tue, April 25	Proposed Budget and CIP Presentation
ADOPTION TIMELINE	Tue, May 16	Public Hearing Tentative Budget and CIP Adoption Final Adoption of Rates & Fees
	Tue, June 13	Public Hearing Final Budget and CIP Adoption Truth in Taxation Hearing
	Tue, June 27	Public Hearing - Property Tax Final Adoption of Property Tax Levies

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Proposed Budget Is within Arizona Constitutional Expenditure Limitation

FY2023/24 Expenditure Limitation for Scottsdale (1979/1980 Base + Inflation & Population Growth)	\$585.8M
FY23/24 Proposed Budget Appropriations Subject to Expenditure Limitation	\$582.0M

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Policies Follow Conservative Budget Policies

Priorities Align with Council Priorities and Strategic Goals

Current Condition Consider City's Financial Condition and Economic Outlook

Long-Term Outlook Prepare 5 Year Financial Forecasts to ensure on-going requests are sustainable

Budget
Best
Practices

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City Finances
Strong
Heading into
FY2023/24



Highly Successful Event Season



Strong Tourism



Sales Tax growth slowed this year but still higher than budget



Significant One-Time Revenues



Strong Reserves and Fund Balance

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Arizona Economic Outlook is Positive

2021 to 2022 Growth

15th

Real GDP
Growth

Arizona 2.5%
US 2.1%

U.S. Bureau of Economic Analysis

19th

Nonfarm Job
Growth

Arizona 2.73%
US 3.05%

U.S Bureau of Labor Statistics

8th

Population
Growth

Arizona 1.3%
July 2021-July 2022

U.S Census Bureau

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Significant Uncertainties for FY 2023/24 and Beyond

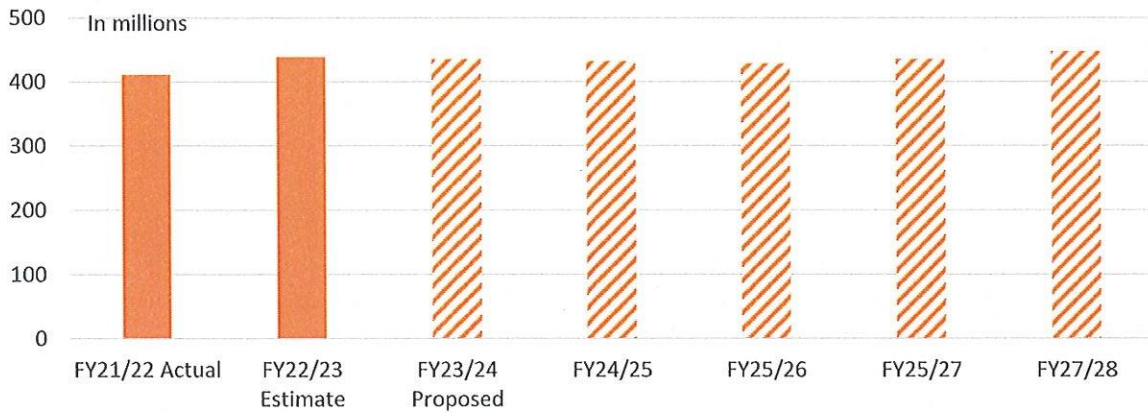
- End of Extraordinary Stimulus Spending
- Inflation Still High Despite Moderating
- Economic Recession Expected by Economists
- Reduced State Shared Revenues

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General Fund Revenue Forecast

- Revenue declines projected with economic slow down
- Modest growth offset by enacted state income tax reductions

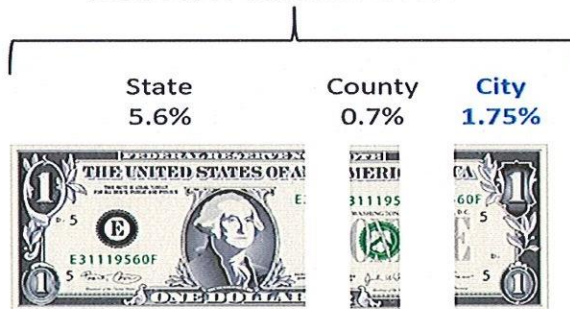


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Budget Proposes No Change in 1.75% Sales Tax Rate

Total Sales Tax Rate 8.05%

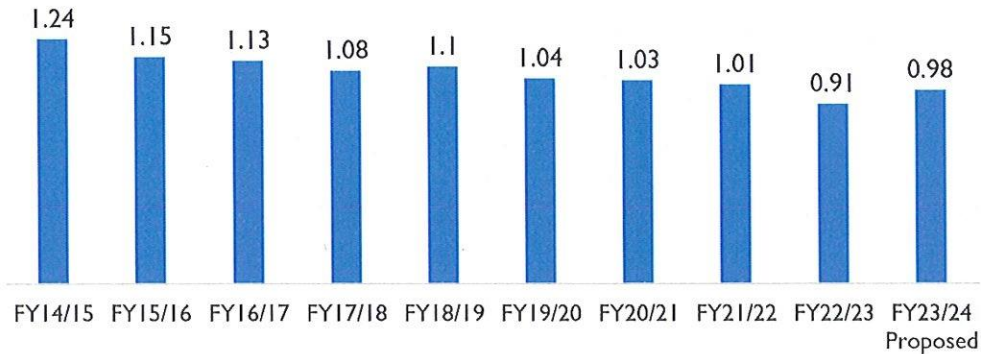


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Proposed FY23/24 Property Tax Rate \$0.98

- Primary property tax rates have declined over the years with 2% limitation
- Maintaining level secondary property tax rates by staggering Bond 2019 issuances



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Total Budget By Category

(in millions)	FY 22/23 Adopted Budget *	FY 23/24 Proposed Budget	% Change
Personnel	307.3	334.7	8.9%
PSPRS Contribution	12.0	10.0	-16.7%
Commodities & Contracts	246.8	271.7	10.1%
Debt Service	122.5	122.7	0.2%
Total Operating Budgets	688.6	739.0	7.3%
Capital Improvements	1,066.9	1,376.3	29.0%
Contingencies and Reserves	356.5	425.3	19.3%
Total Budget	\$2,112.0	\$2,540.6	20.3%

* Personnel and Contingencies/Reserve budgets adjusted to reflect savings from ARPA stimulus funds in reserves. 12

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Budget Increases Driven By

- Inflation Cost Increases in Contracts and Materials – 15% to 30% or more
- Personnel Cost Increases
 - 50 Full Time Equivalent Requests (new total FTE count 2,639)
 - Other Personnel Cost Increases – Merit 5%, Market 2%, Health/Dental, other benefits
- Spend down of one-time excess revenues and fund balance for one-time needs

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U.S. and Arizona Plagued with High Inflation City Contracts and Material Price Increases Ranging from 15% - 30% or More

- | | |
|--|--|
| ▪ County Jail fees | ▪ Facility Maintenance Contracts |
| ▪ Municipal Security Contract | ▪ Custodial Contracts |
| ▪ Police Leased Vehicle Contract | ▪ Asphalt and Concrete Prices |
| ▪ Forensic Lab Contract | ▪ Street Maintenance Contracts |
| ▪ Uniform and Equipment Contract | ▪ Construction Materials |
| ▪ Fire Dispatch Contract | ▪ Landfill Prices |
| ▪ ROW/Median Maintenance Contract | ▪ Cleaning and waste removal contracts |
| ▪ Aquatic Chemicals | ▪ Water/ Water Reclamation Chemicals |
| ▪ Irrigation Contract | ▪ Water purchase (CAP) rates |
| ▪ Agriculture & Horticulture Chemicals | ▪ Insurance Premiums |

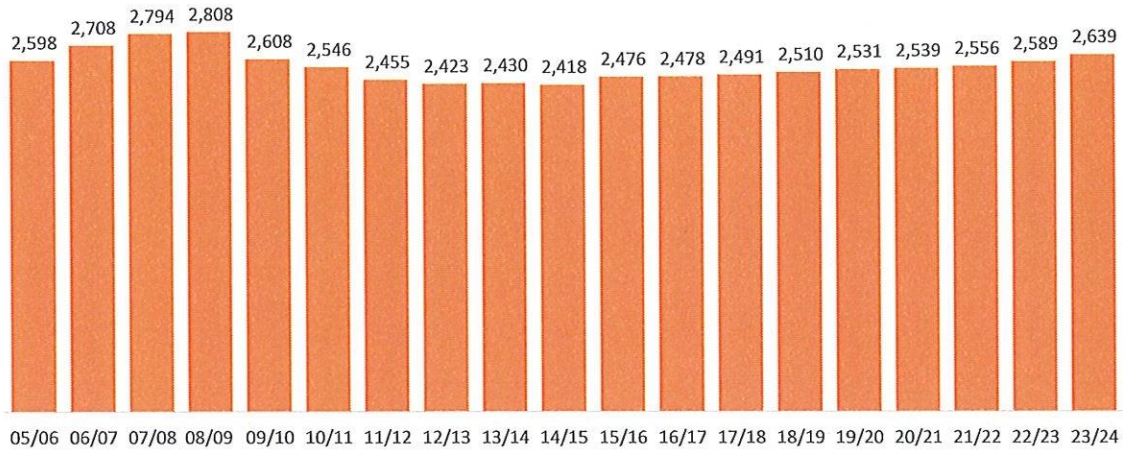
List above is a sampling of contracts and materials with price increases.

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50 FTE Requests (1.9% increase)

With population growth, full-time equivalents is just now proposed to return to FY2005/06 levels

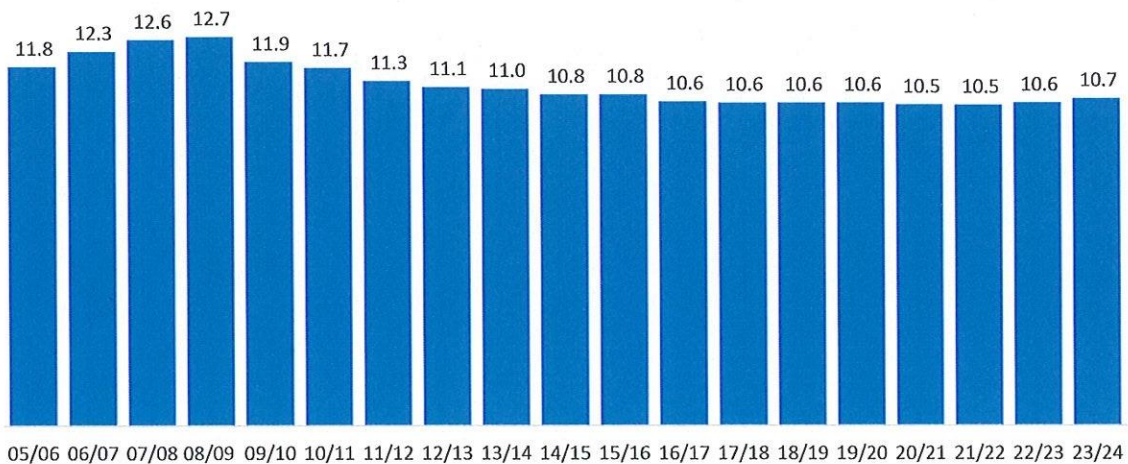


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FTEs per 1,000 Residents

Remains stable, lower than in past, when adjusting for population growth over time



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GENERAL GOVERNMENT OPERATIONS

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**FY2023/24
Proposed
General Fund
Budget
\$582.1M**

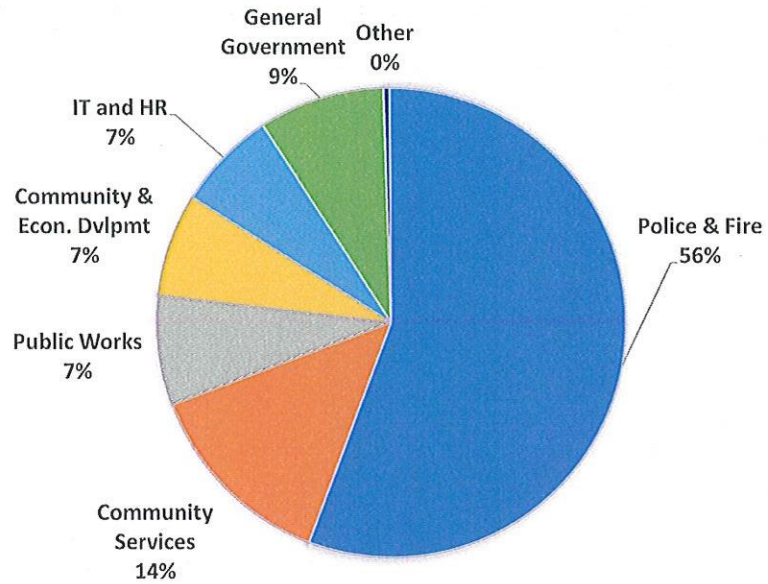
in millions	FY22/23 Adopted	FY23/24 Proposed	Change
Personnel	230.1	266.1	15.6%
PSPRS Extra Contribution	12.0	10.0	-16.7%
Other Operating Exp.	89.2	99.3	11.3%
Operating Budget	331.3	375.4	13.3%
Reserves / Contingencies	147.7	206.7	39.9%
Total Proposed Budget	\$479.0	\$582.1	21.5%
Transfers Out			
For Debt Service	12.2	12.3	0.8%
For Capital Improvements	69.0	68.5	-0.7%
For Other	0.2	0.2	-
Total Transfers Out	\$81.4	\$81.0	-0.5%

Rounding differences may occur

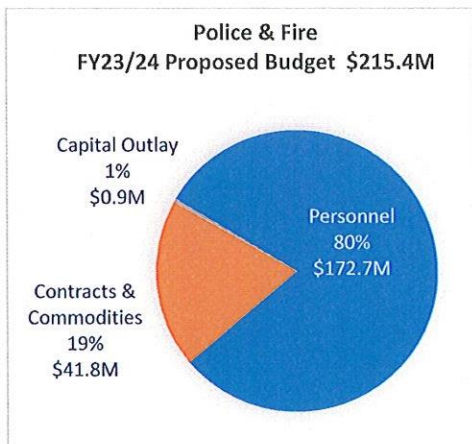
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**FY2023/24
Proposed
General Fund
Budget
\$582.1M**



Public Safety Budget Request Highlights



8.0 New FTEs ◆ \$0.7M

- Traffic Enforcement (2 FTEs)
- Police Civilian Investigators (2 FTEs)
- Municipal Security Guards (2 FTEs)
- Crisis Response Team (1 FTE)
- Fire Systems Analyst (1 FTE)

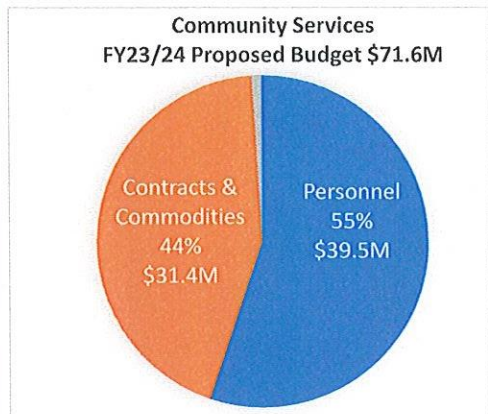
OT for Paramedic & Specialty Training
◆ \$1.6M

Pension Liability Paydown ◆ \$10M

Contract Cost Increases ◆ \$1.4M

Community Services Budget Request Highlights

(Parks & Rec, Library, WestWorld, Human Services, Preserve)



6.27 New FTEs ♦ \$0.5M

Parks & Rec (5.27 FTEs)
WestWorld (1 FTE)

WestWorld

\$1.2M – feed & bedding, waste removal, portable bleachers, equidome footing
\$0.6M – new WW Sports Complex

Human Services ♦ \$0.7M Opioid Settlement

Contracts & Materials Costs Inflation

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Public Works Budget Request Highlights

(Transportation, Streets, Fleet, Facilities, PW Administration)

6.0 New FTEs ♦ \$0.8M

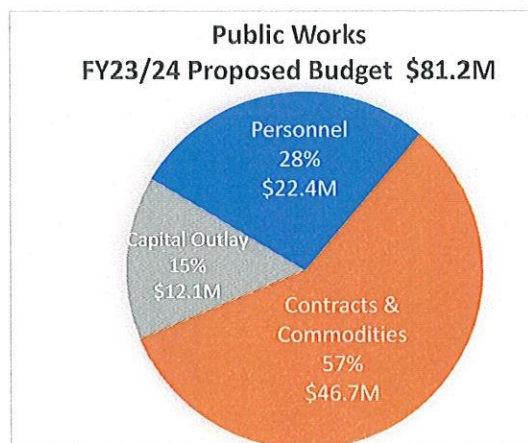
Capital Project Management (1 FTE)
Transportation & Streets (5 FTEs)

Significant One-Time

\$1.0M – Loop 101 public art wall painting

Contracts & Materials Costs Inflation

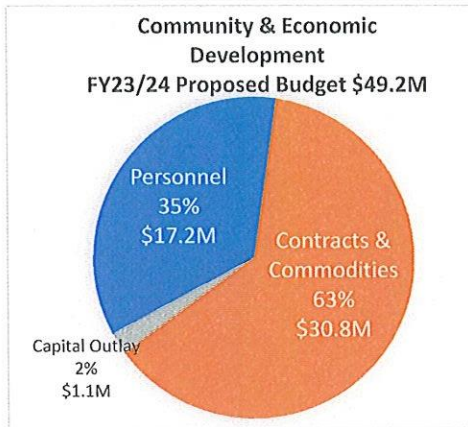
Asphalt and street paving materials
Facility maintenance and other contracts



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Community & Economic Development Budget Request Highlights (Planning & Development, Economic Development, Tourism)



Rounding differences may occur.

6.25 New FTEs ♦ \$0.9M

Code Inspector (4 FTEs)
Plans Examiner – Green Building (2 FTEs)
Other (0.25 FTE)

Plans and Studies ♦ \$1.0M

Shade and Tree Plan
Rates and Fee Study
Stormwater Masterplan
Character Area Plan

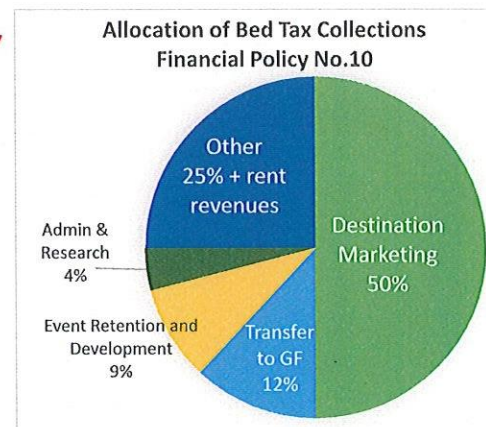
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Tourism Development Fund

Exceptions to Policy for “Other” Category (Items over \$600K policy limit)

- \$1.0M – Art wall on Arizona State Route 101
- \$1.3M – WestWorld Polo Field Lighting
- \$1.5M – Scottsdale Stadium -First Base Event Plaza
- \$1.9M – Scottsdale Stadium -Amenities & access for Day Park in Left Field Berm
- \$3.5M – WestWorld Tent Refurbishment

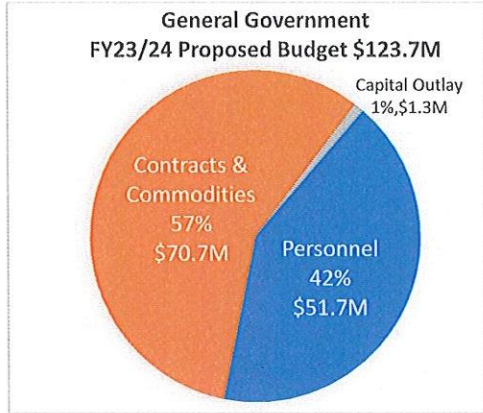


Rounding differences may occur.

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General Government and Support Operations



15.50 New FTEs ◆\$2.6M

Human Resources (2 FTEs) – Analysts

Information Technology (5 FTEs) – Security, Engineers, Enterprise IT and other IT staffing

Communications (2.50 FTEs) – Software Developer, Technology Coordinator

City Manager (2 FTEs) – ACM & Assistant to ACM (ACM - reclass from Community Services)

City Treasurer (4 FTEs) – 2 STR licensing, 1 Tax Auditor, 1 Principal Analyst

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ENTERPRISE OPERATIONS

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Water & Water Reclamation Budget Request Highlights

2.48 New FTEs ◆ \$0.3M

Analysts and Intern

Contract Cost Increases

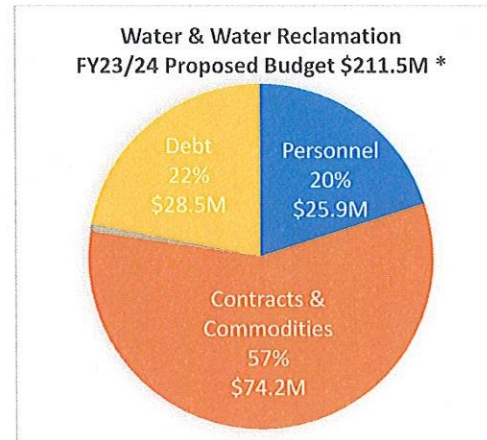
\$3.9M – Water purchase (CAP) rates

\$0.2M – Chemicals and other costs

Revenue Increase from Rates

4.2% - Water

5.8% - Water Reclamation (Sewer)



* Includes reserves and contingencies

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Solid Waste Budget Request Highlights

5.0 New FTEs ◆ \$0.4M

Equipment operators

Contract Cost Increases

\$1.5M - Landfill & recycling processing

\$0.5M - Cleaning & waste removal

Rate Increase

8% - Residential rate increase

5% - Commercial rate increase



* Includes reserves and contingencies

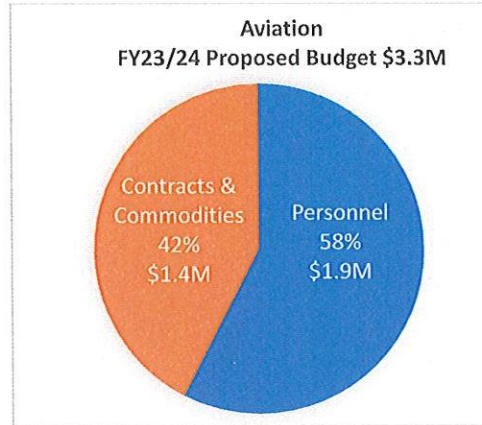
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Aviation Budget Request Highlights

Contract Cost Increases ♦ \$61K

- Custodial services
- Banking services fees
- Payment to US Customs and Border Protection for two full-time Customs Officers



Rounding differences may occur.

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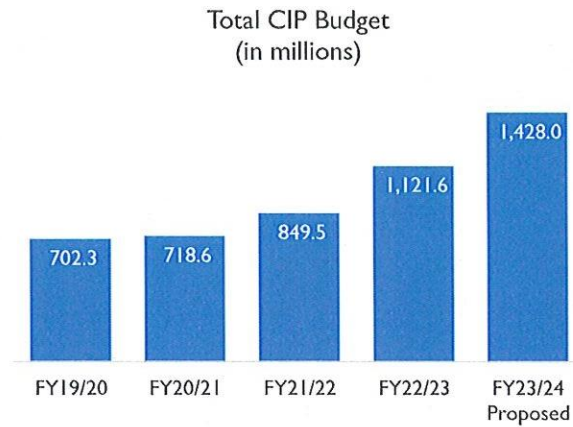
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CAPITAL IMPROVEMENT BUDGET OVERVIEW

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Growth in Capital Improvement Program (CIP)



Water/ Sewer	449.8
Transportation	437.9
Community Facilities	140.0
Service Facilities	139.2
Public Safety	100.6
Preservation	38.1
Drainage/ Flood Control	70.8
Total Without Contingencies	1,376.3
Contingencies	51.7
Total CIP Budget	1,428.0

Rounding differences may occur

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FY 2023/24 Proposed CIP

April 25, 2023

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General Fund CIP Needs: Request Summary

Annual "Y" Projects 10 projects, \$25.8M

Department Submissions

- New projects: 44 projects, \$242.0M
- Budget increases for existing projects: 6 projects, \$14.4M
- Projects remaining from Bond 2019 consideration: 6 projects, \$97.4M

Bond 2019 Projects

- Shortfalls on projects in FY 23/24: 10 projects, \$61.4M
- Requests for future shortfalls: 4 projects, \$30.4M

Total of all requests: \$464.9M

Plus another potential \$35M for 10 out-year bond projects

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CIP Development: Available Funds (General Fund)

Projected General Fund cash flow and funds available (Feb 2023):

	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Beginning Balance ⁽¹⁾	51,080,867	78,359,350	39,403,583	29,526,880	37,480,703	46,035,343
Construction Sales Tax ⁽²⁾	6,669,859	6,327,872	6,441,750	6,557,750	6,603,650	6,649,850
GF Excess Interest ^{(2)/(3)}	5,246,133	8,212,914	9,342,794	10,521,264	8,135,252	7,906,986
94th Street and Bell Road Land Proceeds (Dec 2022)	21,507,791	-	-	-	-	-
Transfers In - CIP - CON Ph I, Entertainment District, major system replacement, Stadium ph 2	22,489,397					
Transfers In - CIP - Bond 2019 Projects (shortfalls)	16,759,553	-	-	-	-	-
Transfers In - CIP - Inflation	2,500,000	2,500,000	-	-	-	-
Transfers In - CIP - Museum Square & FS603 Land Sale	20,530,963	-	-	-	-	-
Cash Available	146,784,563	95,400,135	55,188,127	46,605,893	52,219,605	60,592,179
Existing General Fund Commitments	28,163,226	54,666,691	15,198,680	-	-	-
New General Fund Commitments	77,956,719	16,528,542	10,462,567	9,125,190	6,184,262	-
Connectivity Initiative	16,971,959	-	-	-	-	-
Total General Fund Commitments	123,091,904	71,195,233	25,661,247	9,125,190	6,184,262	-
Estimated General Fund Expenditures	68,425,214	55,996,553	25,661,247	9,125,190	6,184,262	-
Remaining Budget End of Year	54,666,691	15,198,680	-	-	-	-
Cash Balance at End of Year	78,359,350	39,403,583	29,526,880	37,480,703	46,035,343	60,592,179

34

CIP Development: Adjustments Since Feb 21

Changes to available funds:

- Allocate unrestricted Bell Road proceeds as proposed; adds \$19M to amount of general fund CIP available:

Project	Proceeds
1 - Replace aging Infrastructure and Improve Public and Event Spaces on Civic Center Plaza (tourism-related)	6,188,494
McCormick-Stillman Roundhouse (tourism-related)	7,407,791
45 - Renovate WestWorld Horse Barns to Increase Rentable Space (tourism-related)	2,000,000
53 - Build Multi-Use Sports Fields in the area of Bell Road	3,315,000
Stagebrush Theater Renovation, excludes \$885,100 from Downtown Cultural Trust Fund (tourism-related)	2,283,000

- Propose transfer of additional \$30M from General Fund to CIP
- Total available for General Fund CIP now \$109,666,573

35

CIP Development: Adjustments Since Feb 21

Changes to project requests:

- Allocated \$3M of general fund CIP to the Pima Road sound wall instead of \$6M
- Reduced request from \$20M to \$14M for 2nd Street Streetscape
- Adjusted sequence to better balance technology projects vs construction projects
- Removed projects proposed for tourism funds:

WestWorld Polo Field Lighting	\$ 1,300,000
WestWorld tent refurbishment	\$ 3,500,000
Pinnacle Peak Trail Enhancements	\$ 503,120
Scottsdale Stadium - Add amenities & access to accommodate a Day Park in Left Field Berm	\$ 1,900,000
Scottsdale Stadium - First Base Event Plaza	\$ 1,500,000

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FY 2023/24 Prioritized Project List

- Projects currently projected to be funded (page 1 of 3 of funded projects)
- Available funds: \$109,666,573

Proj No	Project	Bond 2019	Current GF 5 yr budget	New GF Request	GF Running total	Category
	Replacement of Major Systems - FCA		6,000,000	6,000,000	6,000,000	annual
	Facilities Upgrade and Replacement Program		13,671,194	2,491,300	8,491,300	annual
	IT - Server Infrastructure		7,248,337	3,286,937	11,778,237	annual
	IT - Network Infrastructure		3,268,641	1,431,903	13,210,140	annual
	Police Portable and Vehicle Radio Replacement		6,204,992	1,635,500	14,845,640	annual
	Public Safety - Fire Radio Replacement		2,263,647	1,010,526	15,856,166	annual
	Crime Laboratory Equipment Replacement		1,411,000	1,515,000	17,371,166	annual
	Scottsdale Video Network Telecast/Production/Video Streaming and Kiva Presentation Equipment		226,000	354,000	17,725,166	annual
2	Add Splash Pad and Improve Walkways at McCormick-Stillman Railroad Park	917,207		342,655	18,067,821	bond
	McCormick-Stillman Roundhouse		7,287,908	3,593,943	21,661,764	existing add
	McCormick-Stillman RR Park - Playground Replacement			500,000	22,161,764	new
29	Replace Workstations at 911 Communications Dispatch Center to Accommodate New Technology	638,522		326,632	22,488,396	bond
	Information Technology Security Program			3,247,497	25,735,893	new
55	Build a 17-Acre Neighborhood Park at Ashler Hills Drive and 74th Way (Whisper Rock)	6,097,659		4,773,761	30,509,654	bond
42	Add a Dog Park to Thompson Peak Park (request to move construction forward 1 year)	4,637,357		1,551,101	32,060,755	bond

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FY 2023/24 Prioritized Project List

- Projects currently projected to be funded (page 2 of 3 of funded projects)
- Available funds: \$109,666,573

Proj No	Project	Bond 2019	Current GF 5 yr budget	New GF Request	GF Running total	Category
27	Modernize and Expand the Police and Fire Training Facility (Police; current GF is restricted Bell Rd proceeds)	4,227,262	8,000,000	7,997,676	40,058,431	bond
	Pima Road Sound Wall (current project is Trans 0.2% & 0.1%, ALCP, MCFCD, stormwater)			3,000,000	43,058,431	existing add
	90-Day Backups			1,750,000	44,808,431	new
40	Renovate and Expand the Civic Center Jail and Downtown Police Facility to Meet Demand	13,102,518		6,700,000	51,508,431	bond
18	Build Roadway & Pedestrian Improvements along 2nd St from Drinkwater Blvd to Goldwater Blvd	1,845,400		14,000,000	65,508,431	bond
	Goldwater & 5th Avenue Park		1,276,014	2,209,602	67,718,033	existing add
	Jail Dormitory Phase II (request to move forward 2 years)		471,276	-	67,718,033	no change
	Radio Communications Platform Transition			1,800,000	69,518,033	new
28	Build a New Fire Station near Hayden Road and the Loop 101 to Improve Response Times	10,470,043		2,433,047	71,951,080	bond
	Technology / GIS Building Replacement			37,120,000	skip	new
	Staff Vehicles at Fire Dept Locations and Training Facility			322,710	72,273,790	new
21	Expand Via Linda Senior Center to Meet Demand for Senior Services (request to move forward 5+ years)	4,538,632		1,727,140	74,000,930	bond
	Replace HAZMAT Equipment			318,879	74,319,809	new
23	Repair Lakes and Irrigation at Vista del Camino Park in the Indian Bend Wash	23,512,804		10,848,742	85,168,551	bond

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FY 2023/24 Prioritized Project List

- Projects currently projected to be funded (page 3 of 3 of funded projects)
- Available funds: \$109,666,573

Proj No	Project	Bond 2019	Current GF 5 yr budget	New GF Request	GF Running total	category
	Purchase Land for Fire Station 617 (future year)		3,347,000	-	85,168,551	no change
	Parking Lot Pavement Project		2,324,758	7,545,660	92,714,211	annual
	Shade and Tree Plan Development and Initial Implementation			3,542,419	96,256,630	new
	Security Cameras and Access Control Systems		1,290,700	500,000	96,756,630	annual
	Renovate Fire Station 606		2,750,021	1,991,265	98,747,895	existing add
25	Replace Aging Buildings that Comprise Paiute Community Center (request to move forward 5+ years)	11,174,242		18,576,447		skip bond
	Target Hardening of Scottsdale Facilities			1,680,000	100,427,895	new
	Police Department Data Storage			435,000	100,862,895	new
	Underground APS Lines Along McDonald Drive			5,232,600		skip new
	Parks & Recreation - Playground Replacements			1,749,750	102,612,645	from bond 2019 list
	Phase II Certificate of Necessity (CON)			1,536,590		skip new
	Phase I Certificate of Necessity CON Staff Vehicles			156,450		skip new
	Phase III Certificate of Necessity (CON)			1,690,249		skip new
	Kiva Modernization			1,591,764	104,204,409	new
	Pima Park - Build Eight New Pickleball Courts			3,212,933	107,417,342	new

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FY 2023/24 Prioritized Project List

- Page 4: Next tier- Projects below the funding line

Proj No	Project	Bond 2019	Current GF 5 yr budget	New GF Request	GF Running total	category
45	Renovate WestWorld Horse Barns to Increase Rentable Space	4,702,972	2,000,000	5,007,254	112,424,596	bond
	Enterprise Resource Planning System - Phase 3 - HCM/Payroll			1,652,446	114,077,042	new
34	Build New Fire Station at 90th Street and Via Linda to Replace Aging Facility (request to move forward 3+ years)	5,914,028		4,959,434	119,036,476	bond
32	Renovate and Modernize the Stage 2 Theater at the Scottsdale Center for the Performing Arts	1,200,000		5,180,448	124,216,924	bond
	Enterprise Resource Planning System - Phase 2 - Enterprise Budget / Enterprise Cashiering			681,633	124,898,557	new
	Fire Station 617			11,590,879	136,489,436	new
	Municipal Building Security Improvements			235,000	136,724,436	new
	WestWorld Cover Arena 7			4,208,689	140,933,125	new
	National Fire Protection Association Station			2,721,946	143,655,071	new
	Enterprise Resource Planning System - Phase 4 - Regulatory Licensing / Alarm Management			681,633	144,336,704	new
	WestWorld Concrete Header for drainage ditch			907,180	145,243,884	new
	Scottsdale Stadium - Gate 'A' Building			4,750,000	149,993,884	new
	Gateway Monument Replacement		817,946	550,000	150,543,884	existing add
	2nd Street Gateway/Entry to Civic Center & Scottsdale Arts			5,093,960	155,637,844	new
	Civic Center Library - Build Additional Public Restrooms			660,934	156,298,778	new
	Eldorado Park - Install Lights on Soccer Field 2			170,000	156,468,778	new

40

FY 2023/24 Prioritized Project List

- Page 5: Next tier- Projects way below the funding line

Proj No	Project	Bond 2019	Current GF 5 yr budget	New GF Request	GF Running total	category
	WestWorld 40-yard recessed dumpster			375,560	156,844,338 new	
	Comanche Park - Replace Deteriorating Tennis Courts with Post-Tension Concrete			392,501	157,236,839 new	
	Shaded Parking Structure for McKellips Police Station			277,200	157,514,039 new	
	Scottsdale Stadium - Pedestrian and Transportation Improvements			2,500,000	160,014,039 new	
	Mustang Library - Family Restrooms			274,599	160,288,638 new	
	HR Remodel			116,000	160,404,638 new	
	WestWorld - Trailhead Redevelopment			2,865,370	163,270,008 new	
	WestWorld - Operations Compound Relocation			6,894,939	170,164,947 new	
	Mustang Library - Sound Wall Between Youth and Adult Areas			111,316	170,276,263 new	
	WestWorld Tent Replacement Building			45,835,262	216,111,525 new	
	One Civic Center Replacement			81,000,000	297,111,525 new	
	DC Ranch Neighborhood Park			6,983,024	304,094,549 from bond 2019 list	
	Scottsdale Road Rawhide Corridor Power Undergrounding & New Streetlight System			16,687,044	320,781,593 from bond 2019 list	
	Scottsdale Road Resort Corridor Power Undergrounding & New Streetlight System			21,800,600	342,582,193 from bond 2019 list	
	Scottsdale Road Airpark Corridor Underground Power & Utilities			20,762,469	363,344,662 from bond 2019 list	
	Scottsdale Road Shea Corridor Power Undergrounding & Streetlight System			29,439,589	392,784,251 from bond 2019 list	

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Transportation 0.2% Sales Tax: Changes Since Feb 21

- Propose transfer of additional \$15.5M from General Fund to CIP
- Original available funding of \$40.9M plus proposed transfer puts funding line at \$56.4M
- Projects above the funding line (page 1 of 2 funded projects):

Project	Adopted 5Y Total Budget	Transp 0.2% request	Running TR Request	Category
Goldwater Boulevard and Highland Avenue Intersection Improvement	2,948,002	(2,514,995)	(2,514,995)	existing reduction
Indian Bend Wash Path Extension: McDowell Mountain Ranch Road and Bell Road	2,031,472	-	(2,514,995)	existing delay
Alma School Road: Jomax Road to Quail Track Drive	4,756,570	(699,138)	(3,214,133)	existing reduction
Pavement Overlay Program	45,750,000	38,960,676	35,746,543	existing add
Scottsdale Flashing Yellow Arrow Pilot	827,501	-	35,746,543	existing
Thomas Road: 56th Street to 73rd Street	4,809,325	411,000	36,157,543	existing add
68th Street Sidewalk - Arizona Canal to Camelback Road	-	3,000,338	39,157,881	new
Doubletree Ranch Road Bridge Repair - Gainey Ranch	-	4,838,868	43,996,749	New

42

Transportation 0.2% Sales Tax

- More projects above the funding line (page 2 of 2 funded projects):

Project	Adopted 5Y Total Budget	Transp 0.2% request	Running TR Request	Category
ADA Transition Plan Implementation	1,500,000	300,000	44,296,749	annual
Streetlight Replacement	1,000,000	320,000	44,616,749	annual
Traffic Signal Construction	3,000,000	600,000	45,216,749	annual
Roadway Capacity & Safety Improvements	4,500,000	900,000	46,116,749	annual
Buffered Bike Lanes Phase II	1,600,000	-	46,116,749	existing
Sidewalk Improvements	1,000,000	200,000	46,316,749	annual
Bikeways Program	2,000,000	400,000	46,716,749	annual
Material Yard at Pima and 88th Street Phase II	1,792,274	-	46,716,749	existing
Scottsdale/Drinkwater Intersection Improvements	-	6,202,434	52,919,183	new
Indian Bend Wash Path Renovations Phase II	-	3,374,750	56,293,933	new

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Transportation 0.2% Sales Tax

- Projects below the funding line:

Project	Adopted 5Y Total Budget	Transp 0.2% request	Running TR Request	Category
Pavement Overlay - Alleys	2,500,000	5,000,000	61,293,933	annual
Traffic Signal Pole Inspection and Replacement	-	4,000,000	65,293,933	new annual
Arizona Canal Path Renovation - Hayden Road to Pima Road	-	2,521,388	67,815,321	new
Transit Stop Improvements	1,500,000	300,000	68,115,321	annual
Trail Improvement Program	1,000,000	200,000	68,315,321	annual
Neighborhood Traffic Management Program	1,250,000	250,000	68,565,321	annual
Oak Street Sidewalk - 60th Street to 64th Street	-	955,005	69,520,326	new
Jenan Drive - 98th Street to 102nd Street	-	829,940	70,350,266	new
Camelback Road Median	-	1,545,334	71,895,600	new
Street Lights Improvement 87th Terrace Multi-Use Path & Scottsdale Road	-	120,000	72,015,600	new

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Transportation 0.1% Sales Tax

- Primarily used for City 30% share on MAG arterial projects
- Reallocate funds based on anticipated developer contributions
- 12 projects, net increase of \$3.7M:

ALCP / 0.1% Transportation Sales Tax	Budget Request
TEMP1981-F - Hayden Road at Arizona State Route 101 Interchange Improvements	(5,823,341)
SE02 - Happy Valley Road: Pima Road to Alma School Road	1,164,615
SG05 - Scottsdale Road: Jomax Road to Dixileta Drive	1,614,000
SH01 - Pima Road: Happy Valley Road to Jomax Road	251,788
SH02 - Hayden Road/Miller Road: Pinnacle Peak Road to Happy Valley Road	42,190
SH04 - Carefree Highway: Cave Creek Road to Scottsdale Road	3,017,000
SI01 - Pima Road: Dynamite Boulevard to Las Piedras	1,944,286
SJ03 - Miller Road - Princess Drive to Legacy Boulevard	(66,708)
SJ04 - Scottsdale Road: Dixileta Drive to Carefree Highway	2,769,571
TEMP2302-F - Pima Road: Jomax Road to Dynamite Boulevard	(3,425,143)
TEMP2303-F - Pima Road: Las Piedras to Stagecoach Pass	2,324,767
TG01 - Hualapai Drive: Hayden Road to Pima Road	(105,966)
TOTAL:	3,707,059

45

Stormwater Fee

- Available to meet 35% City share to leverage Flood Control District funds available for projects
- 7 project additions or changes totaling \$11.5M

Project	Change amount
Reata Wash Flood Control	\$ 2,000,000
Rawhide Wash Flood Control - Design, ROW, Const Ph I	\$ 1,100,675
Granite Reef Wash Phase 2B	\$ 4,403,740
82nd Street Storm Drain	\$ 2,513,927
Roosevelt Street Storm Drain: Scottsdale's Contribution	\$ (130,000)
68th Street Storm Drain South of Camelback Road	\$ 590,000
Rawhide Wash Flood Control Construction Ph II COS Contribution	\$ 1,070,000
Total:	\$ 11,548,342

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Other Funds

Water and Wastewater Enterprise:

- 47 projects, \$162M

Airport Enterprise:

- 15 projects, \$1.2M in Aviation Funds
- Leverages \$15.0M in grant funding

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Other Funds

Solid Waste Fund:

- 3 new or amended projects, net reduction in 5-year budget
- Anticipate future revenue bonds to support \$24m transfer station expansion, HHW and green waste capabilities

Fleet Fund:

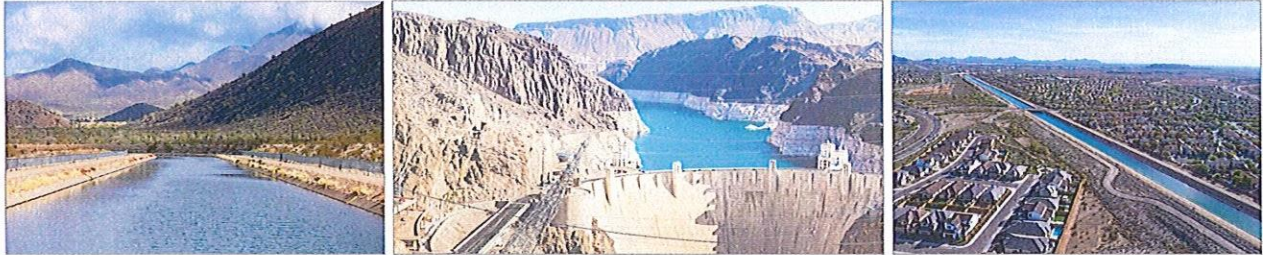
- \$20.7M (over 5 years) vehicle replacement project; moving vehicle acquisition from operating budget to CIP because of excessively long lead time for new orders
- EV infrastructure project

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Discussion and Direction

Work Study Item 1

Scottsdale Water Colorado River Shortage Update



Scottsdale Council Work Study Session
April 25th, 2023



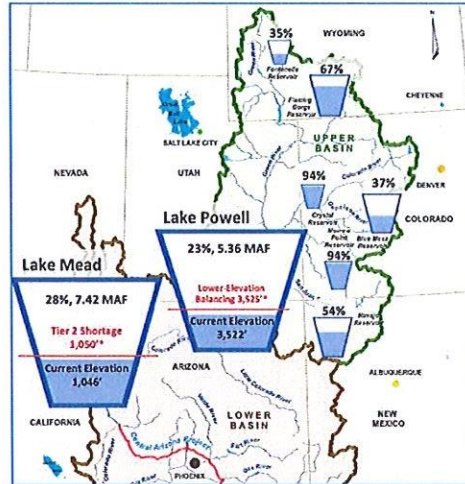
1

Agenda

- Conditions on the Colorado River
- Bureau of Reclamation 24-month projections
- Bureau of Reclamations announcement and update

2

Total system content is currently 32% of totally system capacity



Colorado River Water Supply Report

As of March 27, 2023

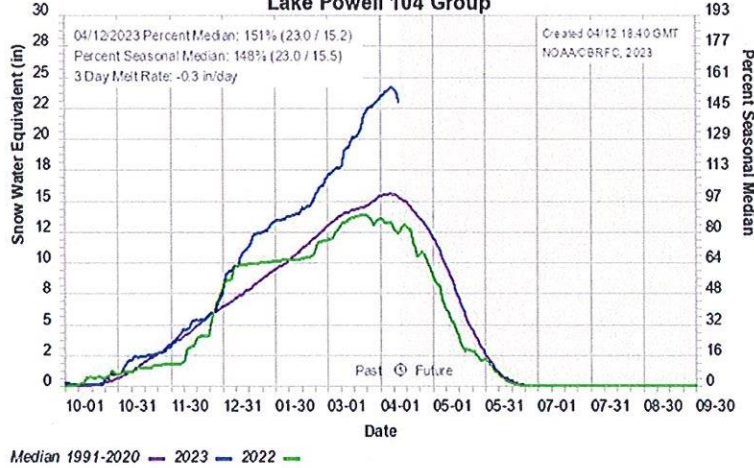
System Contents: 18.96 MAF

Last Year System Contents: 21.00 MAF

Reservoir Capacities (MAF)			
Reservoir	Current	Change*	Maximum
Lake Mead	7.42	- 0.06	26.12
Lake Powell	5.36	+ 0.04	23.31
Flaming Gorge Reservoir	2.46	0.00	3.67
Fontenelle Reservoir	0.12	- 0.03	0.33
Navajo Reservoir	0.88	+ 0.04	1.65
Blue Mesa Reservoir	0.30	+ 0.01	0.82
Morrow Point Reservoir	0.11	0.00	0.12
Crystal Reservoir	0.02	0.00	0.02

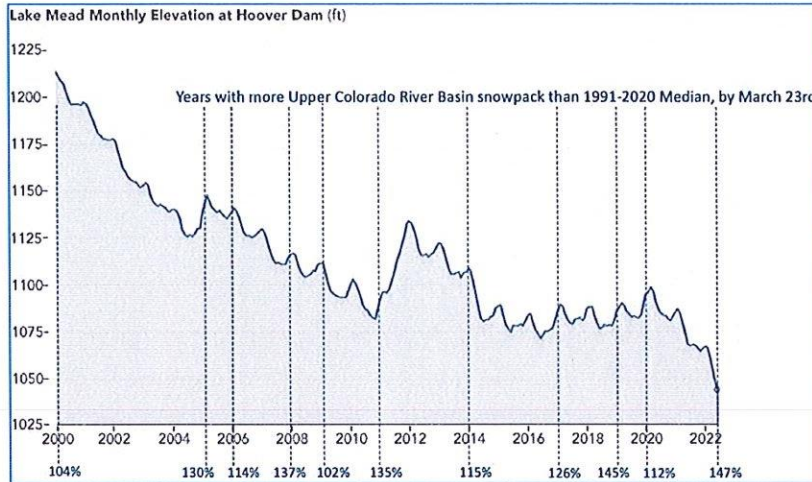
3

Colorado Basin River Forecast Center Lake Powell 104 Group



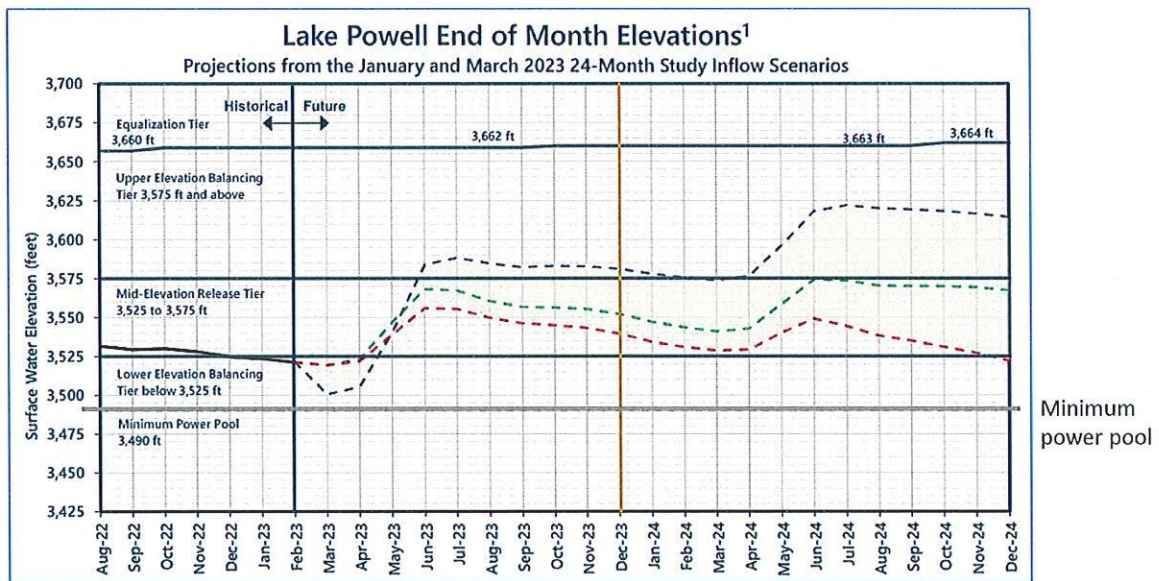
Precipitation in the Basin is currently about 150% of 30 year median

4

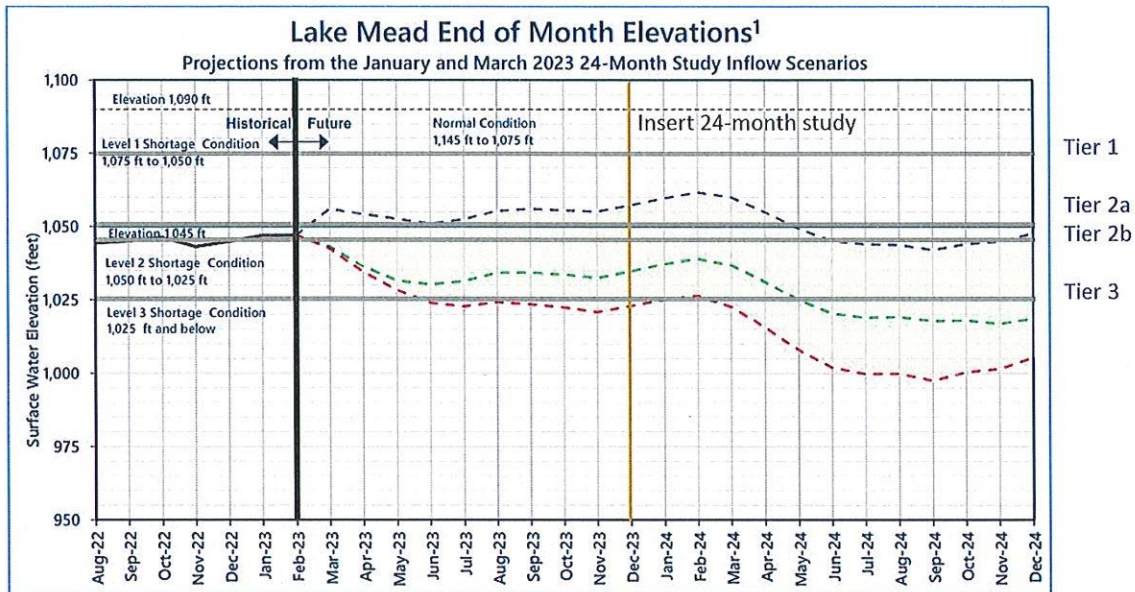


- Runoff is anticipated to be favorable but...
- Soil conditions were dry leading into winter
- Aridification is causing warmer and drier springs.
- One favorable winter does not restore the system or it's trajectory.

5



6



7

US Department of the Interior (DOI) Draft Supplemental Environment Impact Statement (SEIS) Intent Revise the 2007 Interim Guidelines

• SEIS - Key Actions Evaluated

- **Shortage Conditions** - Decrease quantity of water apportioned for consumptive uses in the Lower Division States
- **Coordinated Operation of Lake Powell and Lake Mead** – Revise Mid-Elevation Release Tier, and Lower Elevation Balancing Tier, to reduce releases from Glen Canyon Dam
- **Mid-Year Review** - Expand the mid-year review to include reduction of deliveries from Lake Mead

8

Draft SEIS Alternatives

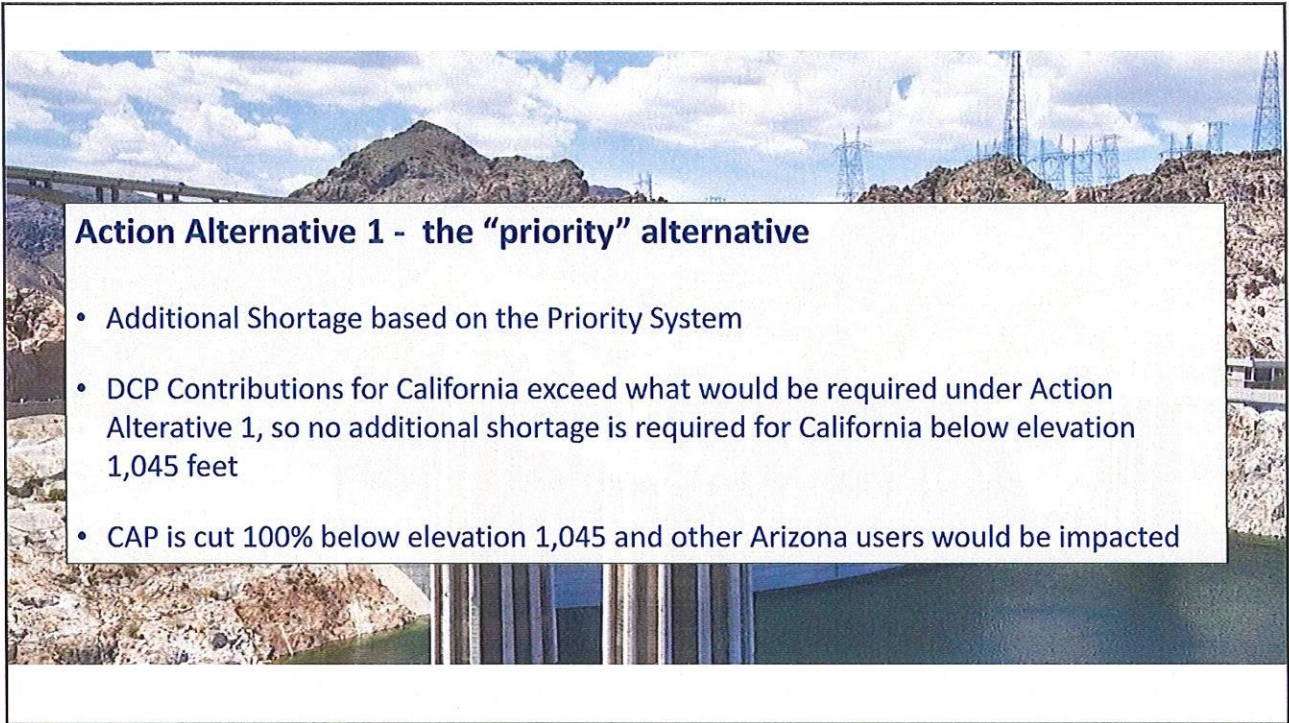
- NO Action
- Action Alternative 1 - the “priority” alternative
- Action Alternative 2 - the “pro rata” alternative

- Lake Powell Operations
 - Releases modeled at between 6-8.23 MAF to reduce releases to preserve elevations in Lake Powell
- Lake Mead Operations
 - Same current shortage structure (2007 interim guidelines and DCP) with additional shortages at each elevation
 - 2.083 MAF targeted reduction volume in 2024 between elevation 1,040’ and 950”

9

- **No Action Alternative**
 - Required under NEPA to analyze impacts if the action agency does not take action.
 - Analyzes impacts under the current operating agreements including the 2007 Interim Guidelines and the Drought Contingency Plan
- **Alternative 1 – the “priority” alternative**
 - Reductions pursuant to ‘07 Guidelines and DCP, plus additional cuts by an interpretation of priority under the Law of the River
- **Alternative 2 – the “pro rata” alternative**
 - Uniform percent reductions applied to all users based on 2021 consumptive use, plus reductions pursuant to ‘07 Guidelines and DCP
 - Includes a potential 500 kaf of DROA release from the Upper Basin

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Action Alternative 1 - the "priority" alternative

- Additional Shortage based on the Priority System
- DCP Contributions for California exceed what would be required under Action Alternative 1, so no additional shortage is required for California below elevation 1,045 feet
- CAP is cut 100% below elevation 1,045 and other Arizona users would be impacted

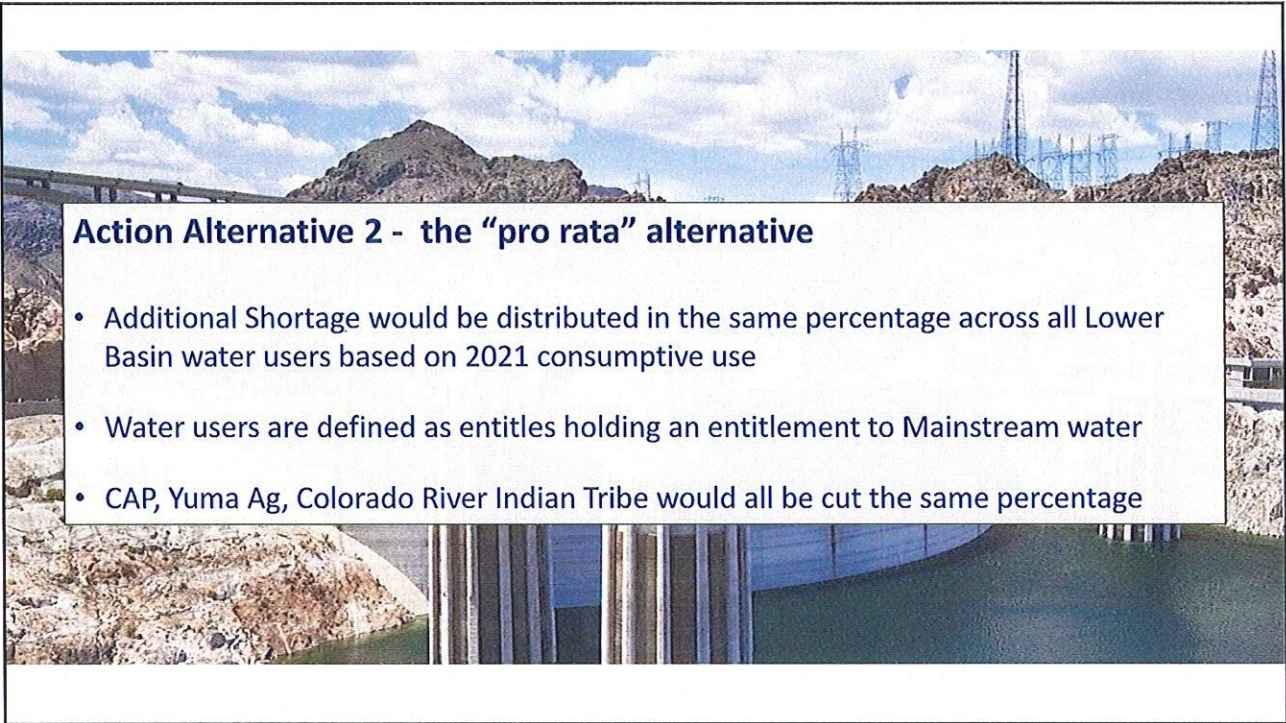
11

Action Alternative 1 - the "priority" alternative

Lake Mead Elevation (feet)	2007 ROD Shortage + 2019 DCP Contributions (1,000 af)				2024 Action Alternative 1 Additional Shortage* (1,000 af)				2024 Total Shortages + Contributions (1,000 af)			
	AZ	NV	CA	Total	AZ	NV	CA	Total	AZ	NV	CA	Total
1,090 – >1,075	192	8	0	200	192	8	0	200	384	16	0	400
1,075 – 1,050	512	21	0	533	511	22	0	533	1,023	43	0	1,066
<1,050 – >1,045	592	25	0	617	593	24	0	617	1,185	49	0	1,234
1,045 – >1,040	640	27	200	867	1,025	42	0**	1,067	1,665	69	200	1,734***
1,040 – >1,035	640	27	250	917	1,098	56	12	1,166	1,738	83	262	2,083
1,035 – >1,030	640	27	300	967	1,098	56	0**	1,154	1,738	83	300	2,083***
1,030 – 1,025	640	27	350	1,017	1,098	56	0**	1,154	1,738	83	350	2,083***
<1,025 – 1,000	720	30	350	1,100	1,018	53	0**	1,071	1,738	83	350	2,083***
<1,000 – 975	720	30	350	1,100	1,018	53	0**	1,071	1,738	83	350	2,083***
<975 – 950	720	30	350	1,100	1,018	53	0**	1,071	1,738	83	350	2,083***
<950	720	30	350	1,100	1,018	53	0**	1,071	1,738	83	350	2,083***

Most probable based on the April 24-month study →

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Action Alternative 2 - the "pro rata" alternative

- Additional Shortage would be distributed in the same percentage across all Lower Basin water users based on 2021 consumptive use
- Water users are defined as entitles holding an entitlement to Mainstream water
- CAP, Yuma Ag, Colorado River Indian Tribe would all be cut the same percentage

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Action Alternative 2 - the "pro rata" alternative

Lake Mead Elevation (feet)	2007 ROD Shortages + 2019 DCP Contributions (1,000 af)				2024 Additional Shortage* (1,000 af)					2024 Total Shortage + Contributions (1,000 af)			
	AZ	NV	CA	Total	Percentage Additional Reduction**	AZ	NV	CA	Total	AZ	NV	CA	Total
1,090 - >1,075	192	8	0	200	2.67%	75	8	117	200	267	16	117	400
1,075 - 1,050	512	21	0	533	7.11%	199	21	313	533	711	42	313	1,066
<1,050 - >1,045	592	25	0	617	8.23%	230	25	362	617	822	50	362	1,234
1,045 - >1,040	640	27	200	867	11.56%	324	35	509	867	964	62	709	1,734
1,040 - >1,035	640	27	250	917	15.55%	435	47	684	1,166	1,075	74	934	2,083
1,035 - >1,030	640	27	300	967	14.81%	417	45	655	1,116	1,057	72	955	2,083
1,030 - 1,025	640	27	350	1,017	14.21%	398	43	625	1,066	1,038	70	975	2,083
<1,025 - 1,000	720	30	350	1,100	13.11%	367	39	577	983	1,087	69	927	2,083
<1,000 - 975	720	30	350	1,100	13.11%	367	39	577	983	1,087	69	927	2,083
<975 - 950	720	30	350	1,100	13.11%	367	39	577	983	1,087	69	927	2,083
<950	720	30	350	1,100	13.11%	367	39	577	983	1,087	69	927	2,083

Most probable based on the April 24-month study →

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Reclamations next steps

- Reclamation said they would take action in 2024
 - Still does not provide clarity onto what can be expected in 2024
- The 2 alternatives are very opposing books ends
 - Governor Hobbs – “Outcomes that decimate the water supply of our population centers or that force the Basin into a courtroom are unacceptable.”
 - Press is portraying the draft SEIS as California vs Arizona
- 45-day comment period
- Basin States are negotiating a seven-state consensus in the next 45 days

15

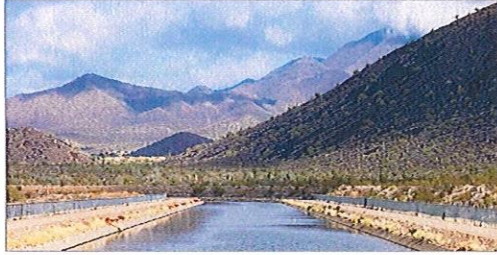


Summary and next steps

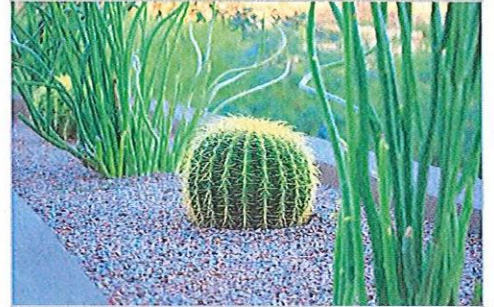
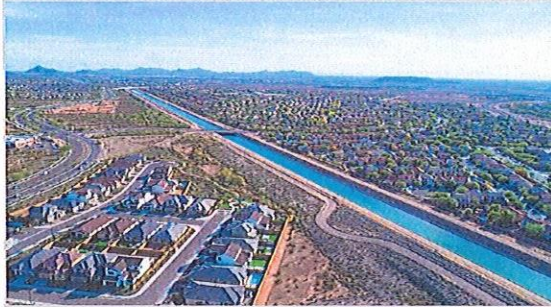
- While this winter may give a slight reprieve, it does not change the structural deficient or the drought and aridification prognosis of the system.
- Continued preparations for significant reductions on the Colorado River for Arizona and the Central Arizona Project should continue on with the same urgency that has led to this point and beyond.

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THANK YOU



Additional Water Conservation Measures



April 25th, 2023



Agenda

- October 2022 Colorado River Basin MOU
- Commitments associated with the MOU
- List of recommended actions for staff to explore
- Next Steps



Colorado River Basin Municipal and Public Provers Collaboration

- In response to the current shortage and severity on the system several public and municipal providers developed a Memorandum of Understanding (MOU) to address:
 - The need for a heightened collaborative approach
 - Reduce demand and commit to water efficiency practices across all providers within the seven Colorado River basin states.



The MOU calls for the following commitments:

- Continue and expand our programs to increase indoor and outdoor water use efficiency.
- Introduce a program to reduce the quantity of non-functional turf grass by 30% through replacement with drought- and climate-resilient landscaping.
- Increase water reuse and recycling programs.

Memorandum of Understanding
by and among Colorado River Basin Municipal and Public Water Providers
August 24, 2022

Over the past two decades, the Colorado River basin has experienced the worst drought in the last 1,200 years, which has reduced storage levels in Lakes Powell and Mead to unprecedented and critical levels. Water users throughout the basin must reduce demands to long supply and use back into balance.

For over 20 years, communities have adapted to persistent and worsening drought and reduced water supplies by achieving significant efficiencies in water use through direct and indirect conservation programs, including improved technology for indoor water fixtures, changes to landscaping and watering practices, conservation-oriented codes and laws, reuse and recycling programs, marketing and education campaigns, and efficient land use and development policies. Yet, climate change and the resulting hydrological shifts we are experiencing require all water users in the basin to redouble our efforts to conserve our water resources.

Our communities have demonstrated their commitment to conserving our essential water resources by reducing per capita water use by the following amounts since 2000:

- Aurora Water – 36%
- Denver Water – 32%
- The Metropolitan Water District of Southern California – 33%
- Fort Collins Water – 32%
- Southern Nevada Water Authority – 30%

Together, since 2000 we have decreased annual water use by 1,163,000 acre feet while also adding 3.7 million people to our communities.

Much of this savings has been achieved through indoor and outdoor water use efficiencies. Recognizing that a clean, reliable water supply is critical to our communities, we continue to do more to reduce water consumption and increase reuse and recycling within our service areas. We pledge to be part of the solution.

Specifically, we commit to take the following action¹:

1. Continue and expand our programs to increase indoor and outdoor water use efficiency.
2. Introduce a program to reduce the quantity of non-functional turf grass by 30% through replacement with drought- and climate-resilient landscaping, while maintaining soil organic landscapes and tree canopies that benefit our communities, aesthetics, and the environment.

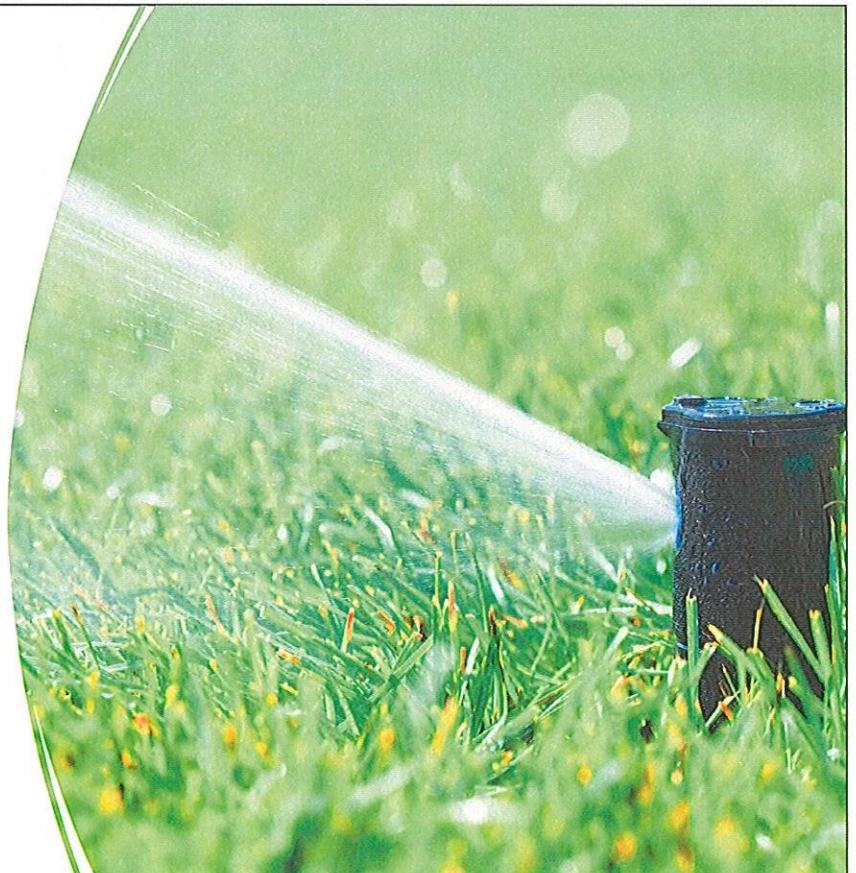
¹ Other providers, including The Metropolitan Water District of Southern California, do not have regulatory authority over the use of water by end users and may only contribute to conservation programs and provide guidance regarding water conservation to their Member Agencies in support of the basin's overall water conservation goals and objectives.

Menu of Best Practices in MOU includes:

- Transforming our outdoor landscapes and urban environments in a manner that improves climate resilience and promotes an ethic of wise water use through:
 - Mandatory watering schedules
 - Incentivize turf removal
 - limitations on new turf
- Employing best practices and commercial operations, including minimization of evaporative cooling.
- Adopting conservation-oriented rate structures to incentivize efficiency.
- Improving management between land use and water planning through improved processes and additional regulations

To Support this commitment of and further a water conservation culture

- Watering Time Restrictions
- Front Lawn Restrictions on new homes
- New Swimming Pool Size restrictions
- New SFR Fountain prohibitions
- Strip and non-functional turf prohibition
- Automatic WaterSmart enrollment with new accounts
- Limitations on Sewer Charge adjustments



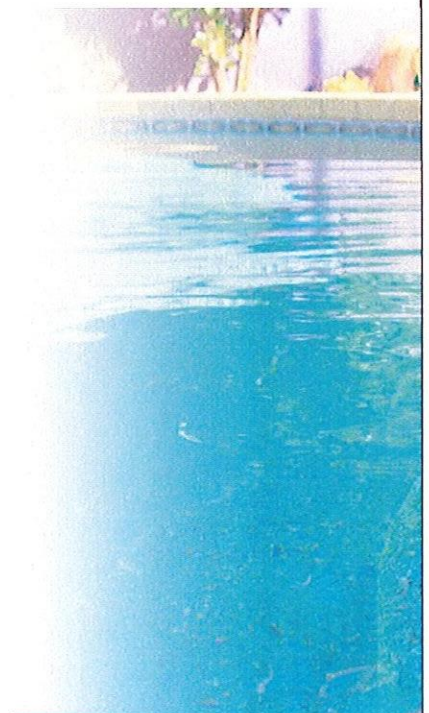
Watering Time Restrictions - Summer water schedule limitations from 10am – 7pm when evaporation is highest

- Plants that get watered too frequently for short periods of time often develop very shallow root systems.
- Apply appropriate amounts of water, but wait longer in between waterings which encourages the roots to grow deeper into the soil where evaporation is less.
- Plants with stronger root systems are stronger above ground and can withstand more extreme weather conditions.



Single Family Residential Recommendation

- Front Lawn Restrictions on new homes
- New Swimming Pool Size limitations
 - Set limits on the size to limit extraordinary sizes pools in new build
- New SFR Fountain prohibitions
 - Currently there is only restrictions on commercial new build. The proposal is to prohibit SFR new builds to have water features in front yards



Focus on Improving Efficiency and functionality

Commercial Non-functional turf (grass) and Strip prohibition on new builds.

Current limits of grass on commercial new builds is confusing and complicated. Prohibition of grass to only areas of community use and congregation, limit size, and to be approved by the conservation office

Southern Nevada Water Authority has a non-functional grass elimination by 2027 goal.

- Defined as "Grass located along public or private streets, streetscape sidewalks, driveways and parking lots, including turf within a community and business streetscape frontage areas, medians, and roundabouts".
- Recommendation to bring a formal policy forward

AMI Meter technology and WaterSmart Leak Detection notifications

- Currently 58,280 accounts have access to hourly data
 - 10.8 % of eligible accounts registered
- Water use information, leak detection, and notification are tools to assist customers to be more water wise.
- Customers get to WaterSmart through the Cities utility payment portal.
- **Recommendation for new accounts to automatically registered in Watersmart when registering water account.**

Leak Detection

Detection

41,073 detected

In the past year

🏠 4,462 🏢 3,556 🏡 27,523 🏘️ 5,344 🏪 188

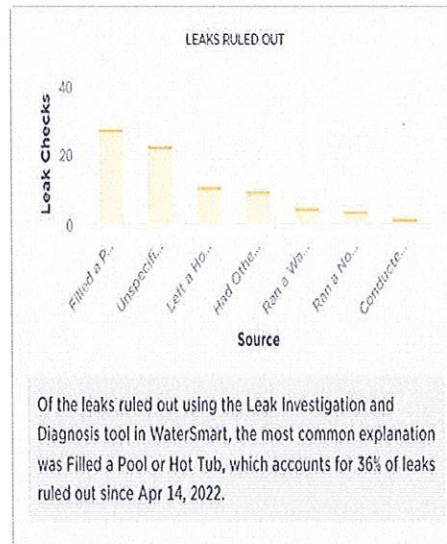
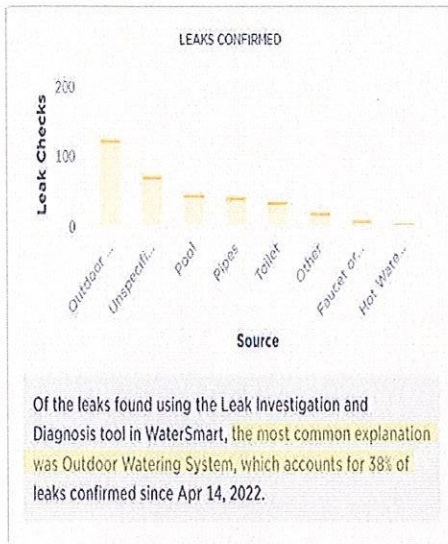
Total Open Leak Rate

114,442 GPH

estimated rate of open leaks

This represents current active leaks among eligible AMI accounts.

Leaks Are Often Outdoors (Consumptive Use)



- Over 1/3 of leaks originated in outdoor watering systems.
- Customers can self help – staff can reach more people.
 - Since December 2020, 3,795 customer-initiated leak checks.
- Customers can also set customized usage alerts.

Customers Thankful for Leak Alerts

JAN 13, 2021
 [REDACTED]

Turned off the sprinkler valve that was leaking. Thanks for this system. We would not have known about the leak so fast.

Leak Found - 14 Gallons Per Hour
 Confirmed as Outdoor Watering System

MAR 10, 2022
 [REDACTED]

There was a water leak in the water line to the icemaker in the refrigerator that has been repaired.

Leak Found - 18 Gallons Per Hour
 Confirmed as Other

DEC 22, 2020
 [REDACTED]

Replaced valve and parts inside tank

Leak Found - 20 Gallons Per Hour
 Confirmed as Toilet

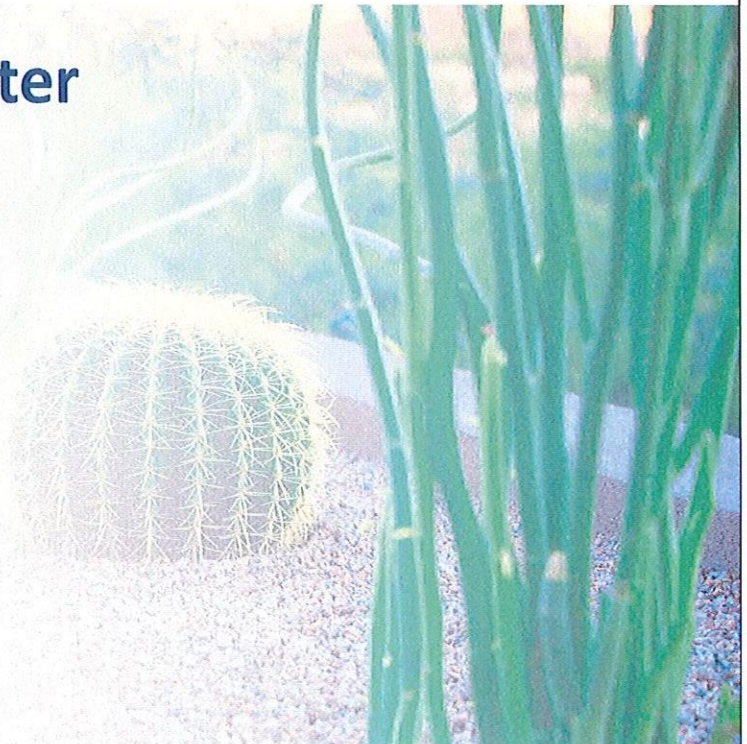
SEWER Adjustment limitations

Sewer fees are based on 90% of the average billed water for Dec/Jan/Feb

- Industry standard is to use winter months as a proxy for indoor use.
 - High winter water use is correlated to outdoor irrigation (overseeding)
- A customer can request a irrigation sewer adjustment
 - Currently a credit is given for a calculated water budget for this irrigation use.
- Conservation programs are built around incentivizing a desert adaptive landscape. This program does the opposite.
- **Staff is recommending elimination of irrigation adjustments.**

Scottsdale Sustainable Water Management Principles

- Principle 4: Water and Land Use Management
 - Require any General Plan amendment or rezoning request that shows a water use above 100,000 gallons per day (gpd) include a to produce a Water Demand Exhibit.
 - Includes water conservation efforts.
- Reduce this water use to 50,000 gpd for stage 2 -4 of the Drought Management Plan



Next steps

- For Consensus item, prepare recommendations for action and return to council for approval



THANK YOU

