

SCOTTSDALE CITY COUNCIL
REGULAR MEETING MINUTES
MONDAY, JULY 1, 2019



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

CALL TO ORDER

Mayor W.J. "Jim" Lane called to order a Regular Meeting of the Scottsdale City Council at 5:27 P.M. on Monday, July 1, 2019, in the City Hall Kiva.

ROLL CALL

Present: Mayor W.J. "Jim" Lane; Vice Mayor Linda Milhaven; and Councilmembers Suzanne Klapp, Virginia L. Korte, Kathleen S. Littlefield, Guy Phillips, and Solange Whitehead

Also Present: City Manager Jim Thompson, Acting City Attorney Joe Padilla, City Treasurer Jeff Nichols, City Auditor Sharron Walker, and City Clerk Carolyn Jagger

PLEDGE OF ALLEGIANCE – Councilwoman Klapp

INVOCATION – Reverend Cathy Patterson, Fountain of Life Church

MAYOR'S REPORT – None

PRESENTATIONS/INFORMATION UPDATES – None

PUBLIC COMMENT – None

ADDED ITEMS

A1. Added Items

Consent Item No. 22A was added to the agenda on June 26, 2019.

Request: Vote to accept the agenda as presented or continue the added item(s) to the August 27, 2019, Council meeting.

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.

MOTION AND VOTE – ADDED ITEMS

Councilmember Korte made a motion to accept the agenda as presented. Councilwoman Klapp seconded the motion, which carried 7/0, with Mayor Lane; Vice Mayor Milhaven; and Councilmembers Klapp, Korte, Littlefield, Phillips, and Whitehead voting in the affirmative.

MINUTES

Request: Approve the Regular Meeting Minutes of June 11, 2019, and Special Meeting Minutes of June 11, 2019.

MOTION AND VOTE – MINUTES

Councilwoman Klapp made a motion to approve the Regular Meeting Minutes of June 11, 2019, and Special Meeting Minutes of June 11, 2019. Councilmember Korte seconded the motion, which carried 7/0, with Mayor Lane; Vice Mayor Milhaven; and Councilmembers Klapp, Korte, Littlefield, Phillips, and Whitehead voting in the affirmative.

CONSENT AGENDA

- 1. Lovely Rita Spirits Liquor License (55-LL-2019)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 4 (wholesale) State liquor license for a new location and owner.
Location: 7741 E. Gary Road, Suite 13
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 2. Pizza Hut No. 28604 Liquor License (56-LL-2019)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 10 (beer and wine store) State liquor license for a new location and owner.
Location: 7790 E. McDowell Road, Suite 102
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 3. Pizza Hut No. 26979 Liquor License (57-LL-2019)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 10 (beer and wine store) State liquor license for a new location and owner.
Location: 3554 N. Goldwater Boulevard, Suite C
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 4. PNPk Liquor License (58-LL-2019)**
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: 23335 N. Scottsdale Road, Suite D105
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov

- 5. T-Mobile Tower Papago Butte Substation Conditional Use Permit (11-UP-2007#3)**
Request: Find that the conditional use permit criteria have been met and adopt **Resolution No. 11524** approving a Conditional Use Permit for an existing T-Mobile wireless communication facility co-located on an existing 125-foot-tall lattice tower with Multiple Family Residential (R-5) zoning.
Location: 6504 E. Thomas Road
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov
- 6. Wolf Springs Ranch Final Plat (14-PP-2017)**
Request: Approve the final plat for a 40-lot residential subdivision with Single-Family Residential, Planned Residential Development (R1-18 PRD) zoning on a 20±-acre site.
Location: Northwest corner of N. 94th Street and E. Cactus Road
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov
- 7. HV91 Final Plat (5-PP-2018)**
Request: Approve the final plat for a 17-lot residential subdivision on 20± acres with Single-Family Residential, Environmentally Sensitive Lands (R1-43 ESL) zoning.
Location: Southwest corner of E. Happy Valley Road and N. 91st Street
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov
- 8. Cavasson Final Plat (3-PP-2019)**
Request: Approve the final plat for a new commercial subdivision comprised of one 30.11±-acre lot, 12 tracts, and rights-of-way for two new public streets with Planned Community District, Planned Airpark Core (P-C PCP) zoning.
Location: 18700 N. Hayden Road (northwest corner of N. Hayden Road and State Route 101)
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov
- 9. Agave Rezoning (14-ZN-2016)**
Request: Adopt **Ordinance No. 4406** approving a zoning district map amendment from Industrial Park (I-1) zoning to Highway Commercial (C-3) zoning on a 2.46±-acre site.
Location: 14601 N. Scottsdale Road
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov
- 10. Termination and Release of Vehicle Demonstration Trail Lease Agreement**
Request: Adopt **Resolution No. 11518** authorizing Agreement No. 2003-098-COS-A2 with North Scottsdale CAD, LLC, regarding a vacant 18.5±-acre property with General Commercial District, Planned Community District (C-4 P-C) zoning.
Location: 18777 N. Scottsdale Road
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov

- 11. Sewer Rehabilitation Job Order Contracts**
Request: Adopt **Resolution No. 11493** authorizing the following contracts for a two-year term, in an amount not to exceed \$5,000,000 per contract, for citywide sewer rehabilitation:

 1. Contract No. 2019-091-COS with Achen-Gardner Construction, LLC
 2. Contract No. 2019-092-COS with Insituform Technologies, LLC

Staff Contact(s): Dan Worth, Public Works Director, 480-312-5555, dworth@scottsdaleaz.gov
- 12. Drinkwater Bridge Interim Repairs Project Construction Phase Services Contract**
Request: Adopt **Resolution No. 11522** authorizing CM@Risk Contract No. 2018-175-COS-A1 with Haydon Building Corporation in the amount of \$1,205,485.25 to complete the Drinkwater Bridge Interim Repairs project.
Staff Contact(s): Dan Worth, Public Works Director, 480-312-5555, dworth@scottsdaleaz.gov
- 13. Thomas Groundwater Treatment Facility Construction Phase Services Contract**
Request: Adopt **Resolution No. 11521** authorizing CM@Risk Contract No. 2019-038-COS-A1 with Archer Western Construction, LLC, in the amount of \$20,838,783.70 for Phase 2 of construction phase services to complete the Thomas Groundwater Treatment Facility project.
Staff Contact(s): Dan Worth, Public Works Director, 480-312-5555, dworth@scottsdaleaz.gov
- 14. Crossroads East Drainage and Public Works Infrastructure Construction Phase Services Contract**
Request: Adopt **Resolution No. 11523** authorizing CM@Risk Contract No. 2019-102-COS with Haydon Building Corporation in the amount of \$8,424,621.12 to provide construction phase services for the Crossroads East Drainage and Public Works Infrastructure project.
Staff Contact(s): Dan Worth, Public Works Director, 480-312-5555, dworth@scottsdaleaz.gov
- 15. Proposition 202 Grant Applications**
Request: Adopt **Resolution No. 11495** authorizing the Government Relations Director to submit Proposition 202 grant applications to the various local Indian Nations on behalf of City-operated programs during the period of July 1, 2019, through June 30, 2020.
Staff Contact(s): Brad Lundahl, Government Relations Director, 480-312-2683, blundahl@scottsdaleaz.gov
- 16. Water, Sewers, and Sewage Disposal Code Amendment**
(Moved to Regular Agenda, Page 6)
- 17. Edward Byrne Memorial Justice Assistance Grant**
Request: Adopt **Resolution No. 11508** to authorize:

 1. Acceptance of the 2018 Edward Byrne Memorial Justice Assistance Grant in the amount of \$31,068 to continue to partially fund a full-time property and evidence technician position.
 2. The Chief of Police, or designee, to conduct all negotiations and execute all necessary documents or instruments in connection with the acceptance of the grant.
 3. A budget transfer in the amount of \$31,068 from the FY 2019/20 Future Grants Budget and/or Grant Contingency Budget.

Staff Contact(s): Alan Rodbell, Chief of Police, 480-312-1900, arodbell@scottsdaleaz.gov

18. Veterans Advisory Commission

Request: Adopt **Ordinance No. 4398** amending Scottsdale Revised Code, Chapter 2, Article V, by adding Division 11 to establish the Veterans Advisory Commission.

Staff Contact(s): Kelly Corsette, Communications and Public Affairs Director, 480-312-2336, kcorsette@scottsdaleaz.gov

19. Environmental Advisory Commission

(Moved to Regular Agenda, Page 6)

20. Boards and Commissions

(Moved to Regular Agenda, Page 6)

21. Legal Services Contract

Request: Adopt **Resolution No. 11531** authorizing Contract No. 2019-106-COS with Jennings, Haug & Cunningham, LLP, in an amount not to exceed \$50,000 to provide legal advice to the City in the North Indian Bend Wash Superfund matter.

Staff Contact(s): Acting City Attorney, 480-312-2405

22. Indemnification of City Treasurer in Enriquez v. City of Scottsdale et al.

Request: Adopt **Resolution No. 11529** authorizing the City to defend and indemnify City Treasurer Jeff Nichols in the lawsuit titled *Enriquez v. City of Scottsdale et al.*, 2:19-cv-04382-ESW, currently pending in the United States District Court, District of Arizona.

Staff Contact(s): Acting City Attorney, 480-312-2405

22A. Fire Station 616

Request: Adopt **Resolution No. 11532** to authorize:

1. Cancelling Construction Bid Award No. 19PB009 with Danson Construction, LLC, the lowest responsive bidder.
2. Construction Bid Award No. 19PB009 with Path Construction Southwest, LLC, the second lowest responsive bidder, in the amount of \$3,980,000 for construction of Fire Station 616 to be located on Cave Creek Road, just west of 110th Street.
3. The City Attorney, and respective staff, to file such claims, counterclaims, cross-claims, third-party claims or other similar actions against Danson Construction, LLC, Ohio Casualty Insurance Co., and any other surety to pursue all legal remedies available to the City therein.

Staff Contact(s): Daniel Worth, Public Works Director, 480-312-5555, dworth@scottsdaleaz.gov

MOTION AND VOTE – CONSENT AGENDA

Councilwoman Korte made a motion to approve Consent Agenda Items 1 through 22A, absent Items 16, 19, and 20, where were moved to the Regular Agenda. Councilmember Littlefield seconded the motion, which carried 7/0, with Mayor Lane; Vice Mayor Milhaven; and Councilmembers Klapp, Korte, Littlefield, Phillips, and Whitehead voting in the affirmative.

REGULAR AGENDA

16. **Water, Sewers, and Sewage Disposal Code Amendment**

Request: Adopt **Ordinance No. 4409** amending Scottsdale Revised Code, Chapter 49, Water, Sewers, and Sewage Disposal, Section 49-211 to address a needed correction, effective August 1, 2019.

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

MOTION AND VOTE – ITEM 16

Councilmember Korte made a motion to adopt Ordinance No. 4409. Councilman Phillips seconded the motion, which carried 6/1, with Mayor Lane; Vice Mayor Milhaven; and Councilmembers Klapp, Korte, Phillips and Whitehead voting in the affirmative and Councilwoman Littlefield dissenting.

19. **Environmental Advisory Commission**

Request: Adopt **Ordinance No. 4402** amending Scottsdale Revised Code, Chapter 2, Article V, Division 8, Sections 2-301, 2-302, 2-303, and 2-304 to rename the Environmental Quality Advisory Board as the Environmental Advisory Commission and to update the Commission's purpose and responsibilities.

Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov

MOTION AND VOTE – ITEM 19

Councilmember Korte made a motion to adopt Ordinance No. 4402. Vice Mayor Milhaven seconded the motion, which carried 6/1, with Mayor Lane; Vice Mayor Milhaven; and Councilmembers Klapp, Korte, Phillips, and Whitehead voting in the affirmative and Councilwoman Littlefield dissenting.

20. **Boards and Commissions**

Request: Adopt **Ordinance No. 4410** amending Scottsdale Revised Code, Chapter 2, Article V, Division 1, Section 2-241 and adding Section 2-244 relating to boards and commissions, including term limits; disqualification from membership; and staff support.

Staff Contact(s): Brent Stockwell, Assistant City Manager, 480-312-7288, bstockwell@scottsdaleaz.gov

MOTION AND VOTE – ITEM 20

Vice Mayor Milhaven made a motion to continue Item 20 and ask staff to bring back the ordinance rewriting it to say board or commission members would be disqualified based on recusing themselves on 25% of the items for a rolling six months. Councilmember Korte seconded the motion, which carried 5/2, with Mayor Lane; Vice Mayor Milhaven; and Councilmembers Korte, Littlefield, and Phillips voting in the affirmative and Councilmembers Klapp and Whitehead dissenting.

23. Drought Contingency Plan

Requests:

1. Adopt **Resolution No. 11501** authorizing Agreement No. 2019-094-COS with the United States of America, represented by the Secretary of the Interior acting through the Regional Director of the Lower Colorado Region of the Bureau of Reclamation, Arizona Department of Water Resources, Arizona Water Banking Authority, Central Arizona Water Conservation District, Gila River Indian Community, City of Chandler, Town of Gilbert, City of Glendale, City of Mesa, City of Phoenix, and City of Tempe for the Mitigation of Reductions to Central Arizona Project Non-Indian Agricultural Priority Water Under the Drought Contingency Plan.
2. Adopt **Resolution 11502** authorizing Agreement No. 2019-095-COS with the Arizona Water Banking Authority, City of Avondale, City of Chandler, City of Goodyear, City of Peoria, City of Phoenix, City of Tucson, Freeport Minerals Corporation, and Epcor Water Arizona, Inc., for the Lower Basin Drought Contingency Plan (LBDCP) Implementation Plan: Agreement to Exchange Long-term Storage Credits.
3. Adopt **Resolution No. 11503** authorizing Agreement No. 2019-096-COS with the Central Arizona Irrigation and Drainage District and Arizona Department of Water Resources for the LBDCP Implementation Plan for Water Storage.
4. Adopt **Resolution No. 11504** authorizing Agreement No. 2019-097-COS with the Harquahala Valley Irrigation District and Arizona Department of Water Resources for the LBDCP Implementation Plan for Water Storage.

Presenter(s): Brian Biesemeyer, Water Resources Director; Kathy Rall, Water Resources Advisor

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

Water Resources Director Brian Biesemeyer gave a PowerPoint presentation (attached) on the drought contingency plan.

MOTION AND VOTE – ITEM 23

Councilman Phillips made a motion to adopt Resolution No. 11501, Resolution No. 11502, Resolution No. 11503, and Resolution No. 11504. Councilwoman Klapp seconded the motion, which carried 7/0, with Mayor Lane; Vice Mayor Milhaven; and Councilmembers Klapp, Korte, Littlefield, Phillips, and Whitehead voting in the affirmative.

PUBLIC COMMENT – None

CITIZEN PETITIONS

24. 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 agendaize 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): Carolyn Jagger, City Clerk, 480-312-2411, cjagger@scottsdaleaz.gov

No citizen petitions were received.

MAYOR AND COUNCIL ITEMS

MOTION AND VOTE – MAYOR AND COUNCIL ITEMS

Councilwoman Littlefield made a motion to ask staff to bring back to Council in the fall statistics regarding the cost to homeowners to install residential sewer lines, as opposed to using the septic that they have; what that cost has been over the past five or ten years; and what a reasonable maximum charge should be for the installation and connection of lines to individual homes. Councilwoman Klapp seconded the motion, which carried 6/1, with Mayor Lane and Councilmembers Klapp, Korte, Littlefield, Phillips, and Whitehead voting in the affirmative and Vice Mayor Milhaven dissenting.

ADJOURNMENT

The Regular City Council Meeting adjourned at 6:20 P.M.

SUBMITTED BY:



Carolyn Jagger
City Clerk


Officially approved by the City Council on August 27, 2019

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 of the City Council of Scottsdale, Arizona held on the 1st day of July 2019.

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

DATED this 27th day of August 2019.



Carolyn Jagger, City Clerk

Drought Contingency Plan Agreements

Scottsdale Water Executive Director Brian K. Biesemeyer, PE



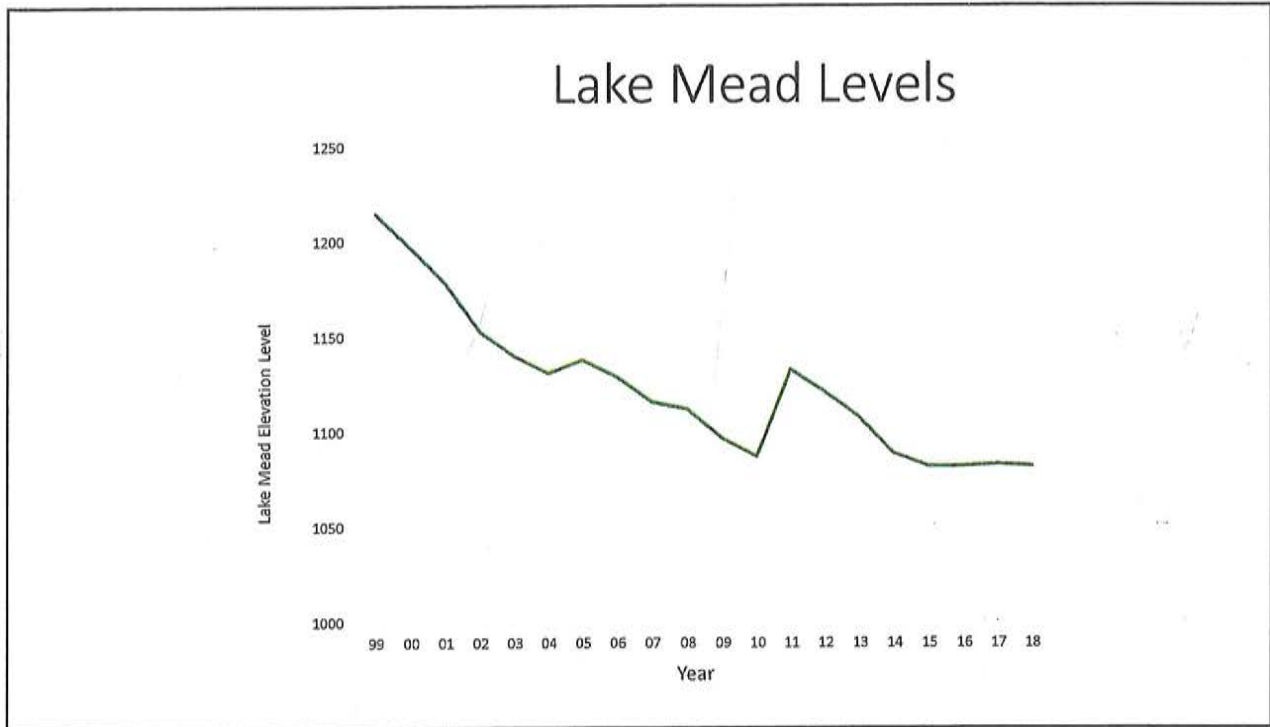
1

What is the Lower Basin Drought Contingency Plan?

- An interim agreement (2019 – 2026) among:
 - Arizona, California, and Nevada
 - U.S. Government – Department of Interior/Bureau of Reclamation
 - Mexico
- Goal: Constrain the use of Colorado River water to avoid further declining levels of Lake Mead





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How did we get here?

- Early forecasts of river flows were optimistic
- Agreement for the construction of the CAP put Arizona at the bottom of the priority list for Colorado River Water
- California historically used more than its allocation of water
- 2007 interim guidelines did not provide enough cuts in allocations to balance river flows with withdrawals

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How is the LBDCP different?

- Cuts to allocations occur at higher levels of the lake (Level 1090 vs. 1075)
- Cuts are more dramatic
- California takes cuts before Arizona and Nevada are completely cut off



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2007 Interim Guidelines Shortage Reductions and Incremental DCP Contributions

Lake Mead Elevation	AZ 2007	AZ DCP	NV 2007	NV DCP	CA 2007	CA DCP	MEX 2007	MEX DCP	BOR DCP	2007 Totals	DCP Totals
1075 - 1090	0	192	0	8	0	0	0	41	100	0	341
1075 - 1050	320	512	13	21	0	0	50	80	100	383	713
1050 - 1045	400	592	17	25	0	0	70	104	100	487	821
1045 - 1040	400	640	17	27	0	200	70	146	100	487	1113
1040 - 1035	400	640	17	27	0	250	70	154	100	487	1171
1035 - 1030	400	640	17	27	0	300	70	162	100	487	1229
1030 - 1025	400	640	17	27	0	350	70	171	100	487	1288
<1025	400	720	20	30	0	350	125	275	100	545	1475

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Arizona Lower Basin Drought Contingency Plan Steering Committee

- 40-member committee representing diverse interests: water providers, industry, developers, agriculture and native American communities.
- Led by ADWR Director Tom Buschatzke and CAP General Manager Ted Cooke
- Met over a dozen times from July 2018 to February 2019
- Goal: Identify equitable internal cuts in Colorado River allocations, determine necessary mitigation efforts.

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Results

- Arizona DCP Implementation Plan (Arizona DCP) agreed to in January 2019
- The Arizona State Legislature passed legislation agreeing to the Arizona DCP
- Governor Ducey signed the bill January 31, 2019. This legislation also authorized the ADWR Director to sign the LBDCP for the State of Arizona.
- On March 19, 2019, all seven basin states submitted Drought Contingency Plans to Congress. Congress approved and the president signed enabling legislation on April 16, 2019

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Signing ceremony on May 20, 2019 between all seven basin states and the United States on the Hoover Dam Observation Deck.

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Impacts: Cuts to Agriculture

- Agriculture = lowest priority water, first to be cut
- Pinal Agriculture would be mitigated during the first three years ensuring at least 105,000 acre ft of CAP water.
- One mitigation measure involves Scottsdale: Diverting water storage activity from existing underground storage facilities to groundwater storage facilities in Pinal County (USF to GSF Agreements).
- After 3 years (after 2022), no agriculture mitigation will occur

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Impacts: Cuts to Non-Indian Agriculture

- Non-Indian Ag = second lowest priority water
- Also mitigated
- Scottsdale holds 3283 acre ft of NIA water (4% of Scottsdale's CAP allocation)



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Impacts: DCP Allocation Reductions (in acre-feet)

Lake Mead Elevation	Scottsdale DCP Total Reduction
1075 - 1090	0
1075 - 1050	1,576
1050 - 1045	2,955
1045 - 1025	5,721
@ 1025	11,940
< 1025	27,666

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Scottsdale's Role in the Plan

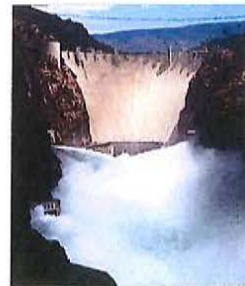
- Participating in a USF – GSF Agreement (up to 4,000 acre ft per year for three years)
- Storing Water in the Harquahala Irrigation Non-Expansion Area (up to 1,000 acre ft per year for three years)



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Why Participate?

- Reduced risk of significant M&I CAP cutbacks
- Increased assurance of NIA Water
- No loss of recharge credits
- Being part of the solution to a regional challenge



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Contracts Needed

1. Non-Indian Ag (NIA) Mitigation Agreement
2. Long-Term Storage Credit (LTSC) Exchange Agreement with the Arizona Water Banking Authority
3. Central Arizona Irrigation and Drainage District (CAIDD) Storage Agreement
4. Harquahala Valley Irrigation District (HVID) Storage Agreement

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Request Council

1. Adopt Resolution No. 11501
2. Adopt Resolution No. 11502
3. Adopt Resolution No. 11503
4. Adopt Resolution No. 11504

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Questions?

