

**SCOTTSDALE CITY COUNCIL
REGULAR MEETING MINUTES
TUESDAY, JUNE 27, 2023**



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

CALL TO ORDER

Mayor David D. Ortega called to order a Regular Meeting of the Scottsdale City Council at 5:05 P.M. on Tuesday, June 27, 2023 in the City Hall Kiva Forum. Mayor Ortega noted the City Council recessed its Executive Session Meeting and would return to this Meeting at the conclusion of tonight's Regular Meeting.

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 – Mayor Ortega

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 invited everyone to Scottsdale's 10th Annual 4th of July Celebration at WestWorld from 5:00 p.m. to 9:00 p.m. There will be live entertainment and a spectacular fireworks show. On behalf of the City Council, he wished everyone a safe holiday and to enjoy celebrating America.

PUBLIC COMMENT

- Lee Kauffheil commented on helping the homeless population and activities at recovery houses.
- Tom Frenkel noted the Council was elected and encouraged civility and respect for the institution from the public and Councilmembers.

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.

ADDED ITEM

A1. Added Item

Item No. 40A was added to the agenda on June 22, 2023 and requires a separate vote to remain on the agenda.

Request: Vote to accept the agenda as presented or continue the added items to the next scheduled Council meeting, which is July 10, 2023.

MOTION AND VOTE – ITEM A1

Councilwoman Whitehead made a motion to accept the agenda as presented. 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.

CONSENT AGENDA

1. BKB Northsight Liquor License (27-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: 15600 N. Hayden Road, Building B

Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210,
tcurtis@scottsdaleaz.gov

2. Set Jet Liquor License (28-LL-2023)

Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 8 (conveyance) State liquor license for a new location and owner.

Location: 15011 N. 75th Street

Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210,
tcurtis@scottsdaleaz.gov

3. Arizona Froze Liquor License (29-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: 4151 N. Marshall Way, Suite 7

Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210,
tcurtis@scottsdaleaz.gov

4. Eleanor Liquor License (30-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: 3207 N. Hayden Road

Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210,
tcurtis@scottsdaleaz.gov

- 5. Yellow Spruce Roasters Liquor License (32-LL-2023)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a location/owner transfer of a Series 7 (beer and wine bar) State liquor license for a new location and owner.
Location: 3902 N. Brown Avenue, Suites 101-102
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 6. Permanent Extension of Premise for Liberty Station American Tavern & Smoke House (2-EX-2023)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a permanent extension of premise for a Series 12 (restaurant) State liquor license for an existing location to expand the restaurant.
Location: 34522 N. Scottsdale Road, Suites D 160 and 180
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 7. Unique Motorsports Outdoor Vehicle Display Conditional Use Permit (5-UP-2023)**
Request: Find that the conditional use permit criteria have been met and adopt **Resolution No. 12841** approving a Conditional Use Permit for vehicle sales with outdoor display on a ±1.23-acre site with Highway Commercial (C-3) zoning.
Location: 2115 N. Scottsdale Road
Staff Contact(s): Erin Perreault, Planning, Economic Development, and Tourism Executive Director, 480-312-7093, eperreault@scottsdaleaz.gov
- 8. Khan Residence Abandonment (4-AB-2022)**
Request: Adopt **Resolution No. 12732** authorizing the abandonment of portions of the “old” E. Cholla Drive alignment, adjacent to Parcel No. 217-27-015B, with Single-Family Residential District (R1-43) zoning.
Location: 10634 E. Cholla Lane
Staff Contact(s): Erin Perreault, Planning, Economic Development, and Tourism Executive Director, 480-312-7093, eperreault@scottsdaleaz.gov
- 9. Sonoran Sky Abandonment (1-AB-2009#2)**
Request: Adopt **Resolution No. 12823** authorizing the abandonment of 55-foot E. Pinnacle Peak Road half-street right-of-way, the 40-foot roadway and public easement along the N. 124th Street alignment, the 30-foot roadway and public utility easement along the 122nd Street alignment (except the southern 250 feet), and the 30 to 60-foot roadway and public utility easement along E. Paraiso Drive within Parcel Nos. 217-09-019A, 217-09-019B, and 217-09-019C with Single-Family Residential, Environmentally Sensitive Lands (R1-130 ESL) zoning.
Location: Between the N. 122nd Street and N. 124th Street alignments, and between E. Paraiso Drive and E. Pinnacle Peak Road
Staff Contact(s): Erin Perreault, Planning, Economic Development, and Tourism Executive Director, 480-312-7093, eperreault@scottsdaleaz.gov
- 10. Sonoran Sky Final Plat (3-PP-2006#3)**
Request: Approve the final plat to establish a 13-lot residential subdivision, including amended standards, on approximately 40 acres with Single-Family Residential District, Environmentally Sensitive Lands (R1-130/ESL) zoning.
Location: Between the N. 122nd Street and N. 124th Street alignments, and between E. Paraiso Drive and E. Pinnacle Peak Road
Staff Contact(s): Erin Perreault, Planning, Economic Development, and Tourism Executive Director, 480-312-7093, eperreault@scottsdaleaz.gov

- 11. McDowell Mountain Manor Abandonment (1-AB-2021)**
Request: At the request of the applicant, continue to a to be determined City Council meeting date.
Staff Contact(s): Erin Perreault, Planning, Economic Development, and Tourism Executive Director, 480-312-7093, eperreault@scottsdaleaz.gov
- 12. Sereno Canyon – McDowell Mountain Manor Replat (16-PP-2017#27)**
Request: At the request of the applicant, continue to a to be determined City Council meeting date.
Staff Contact(s): Erin Perreault, Planning, Economic Development, and Tourism Executive Director, 480-312-7093, eperreault@scottsdaleaz.gov
- 13. 1st Street Townhomes Rezoning (17-ZN-2022)**
Request: Adopt **Ordinance No. 4598** approving a zoning district map amendment from Downtown, Office Commercial, Type 2, Downtown Overlay (D/OC-2 DO) and Downtown, Office Residential, Type 2, Downtown Overlay (D/OR-2 DO) to Downtown, Downtown Multiple Use, Type 2, Downtown Overlay (D/DMU-2 DO) for a new townhome development with 12 units on a ±0.53-acre site.
Location: 7515 and 7521 E. 1st Street
Staff Contact(s): Erin Perreault, Planning, Economic Development, and Tourism Executive Director, 480-312-7093, eperreault@scottsdaleaz.gov
- 14. Booster Pump Station 83 A/B Rehabilitation Project Construction Phase Services Contract**
Request: Adopt **Resolution No. 12825** authorizing Construction Manager at Risk Contract No. 2021-156-COS-A2 with MGC Contractors, Inc., in an amount not to exceed \$8,805,609.46, to provide phase three construction services for the Booster Pump Station 83 A/B Rehabilitation Project.
Location: Northwest corner of Frank Lloyd Wright Boulevard and 90th Street
Staff Contact(s): Dan Worth, Public Works Director, 480-312-5555, daworth@scottsdaleaz.gov
- 15. Repair Lakes and Irrigation at Vista del Camino Park in the Indian Bend Wash Construction Phase Services Contract**
Request: Adopt **Resolution No. 12857** authorizing Construction Manager at Risk Contract No. 2023-006-COS-A1 with Valley Rain Construction Corporation, in an amount not to exceed \$1,933,584.69, to provide phase two construction services for Bond 2019 Project 23 – Repair Lakes and Irrigation at Vista del Camino Park in the Indian Bend Wash.
Staff Contact(s): Dan Worth, Public Works Director, 480-312-5555, daworth@scottsdaleaz.gov
- 16. Traffic Signal Improvements Construction Bid**
Request: Adopt **Resolution No. 12875** authorizing Construction Bid Award No. IFB-012023-052 with NorthStar Communications, Inc., the lowest responsive bidder, in the amount of \$998,852.96, for the construction of traffic signal improvements.
Locations: 64th Street and Osborn Road; Scottsdale Road and 1st Avenue; and Scottsdale Road and Dove Valley Road
Staff Contact(s): Dan Worth, Public Works Director, 480-312-5555, daworth@scottsdaleaz.gov

17. Fiscal Year (FY) 2023/24 Human Services Program Funding

Request: Adopt **Resolution No. 12765** approving the recommendations of the Human Services Commission and authorizing:

1. The allocation of FY 2023/24 Scottsdale Cares Program funding, in the amount of \$160,000, to agencies supporting a variety of human services programs.
2. The distribution of Scottsdale Endowment Program funding, in the amount of \$8,600, to the McDowell Sonoran Conservancy for their Expedition Days: Taking STEM Learning Out to the Natural Environment Program and the Arizona Burn Foundation.
3. The allocation of FY 2023/24 Salt River Pima-Maricopa Indian Community funds, in the amount of \$104,967, supporting home delivered meals.
4. The Mayor to execute contracts with agencies for services and programs that exceed the current formal bid limit of \$50,000.
5. The Assistant City Manager, or designee, to execute contracts with non-profit agencies for programs and services that do not exceed the formal bid limit of \$50,000.
6. The Community Assistance Manager to adjust each organization's recommended funding award by the appropriate percentage should any final funding amounts differ from the amounts estimated in this Resolution and corresponding exhibit.
7. The Assistant City Manager, or designee, to execute any other documents and take such other actions as necessary to carry out the intent of this Resolution.

Staff Contact(s): Greg Bestgen, Human Services Department Director, 480-312-0104, gbestgen@scottsdaleaz.gov

18. Sports Fields Maintenance Intergovernmental Agreement

Request: Adopt **Resolution No. 12818** to authorize:

1. Agreement No. 2023-062-COS with Scottsdale Unified School District No. 48 in the amount of \$157,000 for assistance in the rehabilitation and maintenance of certain sports fields located on school property that are used in City youth sports and recreation programs.
2. The Parks and Recreation Director, or designee, to execute any other documents and take such other actions as necessary to carry out the intent of this Resolution.

Staff Contact(s): Nick Molinari, Parks and Recreation Director, 480-312-1011, nmolinar@scottsdaleaz.gov

19. Community Action Program Intergovernmental Agreement

Request: Adopt **Resolution No. 12839** to authorize:

1. Agreement No. 2022-094-COS-A2 with the Maricopa County Human Services Department for the purpose of accepting \$408,375 to operate the City's Community Action Program, providing crisis management and financial services to prevent poverty and homelessness.
2. The City Manager, or designee, to execute any other documents and 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

20. Workforce Development Services Intergovernmental Agreement

Request: Adopt **Resolution No. 12840** to authorize:

1. Agreement No. 2023-075-COS with Maricopa County to share costs for workforce development services at the Vista del Camino Community Center.
2. A Budget Transfer, of up to \$53,876, from the adopted Fiscal Year 2023/24 Future Grants Budget and/or Grant Contingency budget to a grant cost center to record the related grant activity.
3. The City Manager, or designee, to execute any other documents and take such other actions as necessary to carry out the intent of this Resolution.

Staff Contact(s): Greg Bestgen, Human Services Department Director, 480-312-0104, gbestgen@scottsdaleaz.gov

21. First Things First Grant Acceptance for the Scottsdale Family Resource Center

Request: Adopt **Resolution No. 12852** to authorize:

1. Agreement No. 2023-082-COS with the Arizona Early Childhood Development and Health Board (First Things First), to accept a grant, in the amount of up to \$250,000, for the Scottsdale Family Resource Center.
2. A Budget Transfer, in the amount of \$250,000, from the adopted Fiscal Year 2023/24 Future Grants Budget and/or Grant Contingency Budget to a newly created cost center to record the related grant activity.
3. The Human Services Director to execute all documents necessary for the acceptance and administration of the grant.

Staff Contact(s): Greg Bestgen, Human Services Department Director, 480-312-0104, gbestgen@scottsdaleaz.gov

22. Community Fishing Program Intergovernmental Agreement

Request: Adopt **Resolution No. 12868** to authorize:

1. Agreement No. 2018-061-COS-A1, the first amendment to the intergovernmental agreement with the Arizona Game and Fish Commission, in an amount not to exceed \$13,806 for the additional renewal period, and not to exceed \$80,786 over the agreement's six-year term, to support a community fishing program at Chaparral Lake and Eldorado Pond.
2. The Parks and Recreation Director, or designee, to execute any other documents and take such other actions as necessary to carry out the intent of this Resolution.

Staff Contact(s): Nick Molinari, Parks and Recreation Director, 480-312-1011, nmolinar@scottsdaleaz.gov

23. On-Call Environmental Assessments and Consulting Services

Request: Adopt **Resolution No. 12872** authorizing Contract No. 2023-113-COS with Partner Assessment Corporation, doing business as Partner Engineering and Science, Inc., in an amount not to exceed \$40,000 annually, for on-call environmental assessments and consulting services for federally-funded projects.

Staff Contact(s): Greg Bestgen, Human Services Department Director, 480-312-0104, gbestgen@scottsdaleaz.gov

24. Regional Economic Development Marketing Services Agreement

Request: Adopt **Resolution No. 12829** authorizing Agreement No. 2023-066-COS with the Greater Phoenix Economic Council, in the amount of \$119,956, for regional economic development marketing services.

Staff Contact(s): Rob Millar, Economic Development Director, 480-312-2533, rmillar@scottsdaleaz.gov

25. Experience Scottsdale Destination Marketing Plan

Request: Adopt **Resolution No. 12810** authorizing the Fiscal Year 2023/24 Strategic Business Plan, Performance Standards, and Contract Budget under Destination Marketing Services Contract No. 2022-054-COS with the Scottsdale Convention and Visitors Bureau, Inc., doing business as Experience Scottsdale.

Staff Contact(s): Karen Churchard, Tourism and Events Director, 480-312-2890, kchurchard@scottsdaleaz.gov

(Moved to the Regular Agenda, page 10)

26. Scottsdale Arts Financial Participation Agreement

Request: Adopt **Resolution No. 12811** authorizing Agreement No. 2023-057-COS with Scottsdale Cultural Council, doing business as Scottsdale Arts, for Fiscal Year 2023/24 in the amount of \$6,165,500, to be allocated for activities consistent with Management Services Agreement No. 2020-046-COS.

Staff Contact(s): Karen Churchard, Tourism and Events Director, 480-312-2890, kchurchard@scottsdaleaz.gov

27. Scottsdale Museum of the West Financial Participation Agreement

Request: Adopt **Resolution No. 12812** authorizing Financial Participation Agreement No. 2023-058-COS with Scottsdale Museum of the West, Inc., for Fiscal Year 2023/24 in the amount of \$650,000, to be allocated for activities consistent with Museum Management Agreement No. 2021-088-COS.

Staff Contact(s): Karen Churchard, Tourism and Events Director, 480-312-2890, kchurchard@scottsdaleaz.gov

28. Tourism Event Funding Programs

Request: Adopt the following resolutions authorizing use of the Tourism Development Fund for Fiscal Year 2023/24 events that meet the criteria of the following Tourism Event Funding programs:

1. **Resolution No. 12864** authorizing the Event Venue Fee Funding Program and the Mayor to execute individual agreements with each event producer.
2. **Resolution No. 12865** authorizing the Community Event Funding Program and the Mayor to execute individual agreements with each event producer for funding of \$30,000 or less, while agreements for funding of more than \$30,000 will be subject to Council approval.
3. **Resolution No. 12866** authorizing the Matching Event Advertising Funding Program and the Mayor to execute individual agreements with each event producer.
4. **Resolution No. 12867** authorizing the Event Development Funding Program, subject to Council approval of such agreements, and authorizing staff to use the New Event Development Guidelines to evaluate whether an event qualifies for funding.

Staff Contact(s): Karen Churchard, Tourism and Events Director, 480-312-2890, kchurchard@scottsdaleaz.gov

29. Audit Committee Recommendation for the Tourism Development Commission Sunset Review

Request: Accept the Audit Committee's recommendation and authorize the continuation of the Tourism Development Commission.

Staff Contact(s): Lai Cluff, Acting City Auditor, 480-312-7851, lcluff@scottsdaleaz.gov

30. Audit Committee Recommendation for the Veterans Advisory Commission Sunset Review

Request: Accept the Audit Committee's recommendation and authorize the continuation of the Veterans Advisory Commission.

Staff Contact(s): Lai Cluff, Acting City Auditor, 480-312-7851, lcluff@scottsdaleaz.gov

31. Fiscal Year (FY) 2022/23 Operating and Capital Budget Adjustments and Cash Transfer

Request: Adopt **Resolution No. 12809** to authorize:

1. FY 2022/23 operating and capital improvement plan budget adjustments for the purpose of complying with Ordinance No. 4551 and accurately expensing the FY 2022/23 budget.
2. A cash transfer from the FY 2022/23 Special Event Parking Fund within the Operating Budget Special Programs Fund to the FY 2022/23 WestWorld Parking Access Masterplan (DJ04) Capital Improvement Plan project.

Staff Contact(s): Judy Doyle, Budget Director, 480-312-2603, jdoyle@scottsdaleaz.gov

(Moved to the Regular Agenda, page 11)

32. Monthly Financial Report

Request: Accept the Fiscal Year 2022/23 Monthly Financial Report as of April 2023.

Staff Contact(s): Judy Doyle, Budget Director, 480-312-2603, jdoyle@scottsdaleaz.gov

33. Arizona Child and Family Advocacy Network Grant

Request: Adopt **Resolution No. 12882** to authorize:

1. The acceptance of a grant in the amount of \$48,254.10 from the Arizona Governor's Office of Strategic Planning and Budgeting on behalf of the Arizona Child and Family Advocacy Network.
2. The Chief of Police, or designee(s), to conduct all negotiations and to execute and submit all documents and other necessary or desirable instruments in connection with the acceptance of the grant.
3. A Budget Transfer, of up to \$48,255, from the adopted Fiscal Year 2023/24 Future Grants Budget and/or Grant Contingency budget to a newly created cost center to record the related grant activity.

Staff Contact(s): Jeff Walther, Chief of Police, 480-312-1900, jwalther@scottsdaleaz.gov

34. Duties of the City Manager Code Amendment

Request: Adopt **Ordinance No. 4601** amending Scottsdale Revised Code, Chapter 2, Administration, Article III, Officers and Employees, Division 3, City Manager, Section 2-91, Duties of the City Manager, to authorize the City Manager to execute certain contracts that do not exceed the procurement code's limit for micro purchases.

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

35. Loss Trust Fund Code Amendment and Declaration of Trust Amendment

Requests:

1. Adopt **Ordinance No. 4599** amending Scottsdale Revised Code, Chapter 2, Administration, Article IV, Financial Affairs, Division 3, Risk Management, Section 2-170, Loss trust fund, to allow for the initial deductible of any property loss paid under the loss trust fund to be modified annually as determined by the Safety and Risk Management Director in consultation with the City Attorney and City Treasurer; and that such loss be paid by the separate departments within the city.
2. Adopt **Resolution No. 12842** authorizing Contract No. 2012-144-COS-A2 amending the Declaration of Trust for the City of Scottsdale Self-Insured Loss Trust Fund "Trust" to be comply with Ordinance No. 4599, which codifies this change.

Staff Contact(s): Sherry Scott, City Attorney, 480-312-2405, sscott@scottsdaleaz.gov

36. Gila River General Stream Adjudication

Request: Adopt **Resolution No. 12850** to authorize:

1. Legal Services Contract No. 2023-080-COS with Engelman Berger, P.C., in an amount not to exceed \$40,000, for the continued legal representation in the Gila River General Stream Adjudication for Fiscal Year 2023/24.
2. The City Attorney to approve a one-year extension of the contract and execute any other documents and take such other actions as necessary to carry out the intent of this Resolution.

Staff Contact(s): Sherry Scott, City Attorney, 480-312-2405, sscott@scottsdaleaz.gov

37. Purchase of Property-Casualty Insurance for the Period of July 1, 2023, to July 1, 2024

Request: Adopt **Resolution No. 12856** to authorize:

1. The purchase of property-casualty insurance, including general liability, law enforcement liability, vehicle liability, public officials' errors and omissions, property, workers' compensation, cyber liability, aviation drone, and airport liability insurance for Fiscal Year (FY) 2023/24.
2. The Risk Management Director, or designee, to execute such documents and take all other actions and sign all other documents necessary and proper to purchase the policies authorized by this Resolution for FY 2023/24.

Staff Contact(s): George Woods, Risk Management Director, 480-312-7040, gwoods@scottsdaleaz.gov

38. Sewer Damage Claims Settlements

Request: Adopt **Resolution No. 12837** to authorize:

1. Settlement of claims with Show Season, Inc., in the amount of \$77,709.95; Source Performance in the amount of \$57,000; and Travelers Insurance as subrogee of Gubernick Family Holdings II in the amount of \$30,000, as a result of a sewage overflow incident at 14201 N. Hayden Road from funds to be paid from the City's Risk Management Operating Budget.
2. The City Manager, City Treasurer, and City Attorney, and their respective designees, to execute a standard release of all claims approved by the City Attorney and such other documents as are necessary to carry out the intent of this Resolution.

Staff Contact(s): Sherry Scott, City Attorney, 480-312-2405, sscott@scottsdaleaz.gov

39. Dominguez v. City of Scottsdale Settlement Agreement

Request: Adopt **Resolution No. 12874** to authorize:

1. Agreement No. 2023-115-COS with Andres Dominguez, in the amount of \$150,000, to settle *Andres Dominguez v. City of Scottsdale, et al.*, Case No. 2:21-cv-00089-SRB-MTM, currently pending in the United States District Court, District of Arizona.
2. The City Manager, City Treasurer, City Attorney, and their respective staff, to execute such documents and take such other actions as necessary to carry out the purpose of this Resolution.

Staff Contact(s): Sherry Scott, City Attorney, 480-312-2405, sscott@scottsdaleaz.gov

40. Lopez v. City of Scottsdale Settlement Agreement

Request: Adopt **Resolution No. 12881** to authorize:

1. Agreement No. 2023-116-COS with Ana Lopez, in the amount of \$55,000, to settle *Ana Lopez v. City of Scottsdale, et al.*, Case No. CV2023-091026, currently pending in Maricopa County Superior Court.
2. The City Manager, City Treasurer, City Attorney, and their respective staff, to execute such documents and take such other actions as necessary to carry out the purpose of this Resolution.

Staff Contact(s): Sherry Scott, City Attorney, 480-312-2405, sscott@scottsdaleaz.gov

40A. Homeless Shelter and Service Funding Agreement

Request: Adopt **Resolution No. 12888** to authorize:

1. Agreement No. 2023-123-COS with the Arizona Department of Housing to receive a grant of up to \$940,000, to be used for expanding the City's Bridge Housing Program and to provide supportive services to the homeless.
2. A Budget Transfer, of up to \$940,000, from the adopted Fiscal Year 2023/24 Future Grants Budget and/or Grant Contingency budget to a newly created cost center to record the related grant activity.
3. The City Manager, to execute any other documents and take such other actions as necessary to carry out the intent of this Resolution.

Staff Contact(s): Greg Bestgen, Human Services Department Director, 480-312-0104, gbestgen@scottsdaleaz.gov

(Moved to the Regular Agenda, Page 11)

MOTION AND VOTE – CONSENT AGENDA

Councilwoman Janik made a motion to approve Consent Agenda Items 1 through 40A, except for Item No. 11 [McDowell Mountain Manor Abandonment (1-AB-2021)] and Item No. 12 [Sereno Canyon – McDowell Mountain Manor Replat (16-PP-2017#27)] which were continued to a date to be determined at the request of the applicant; Item No. 14 [Booster Pump Station 83 A/B Rehabilitation Project Construction Phase Services Contract] which was continued to the July 11, 2023 Council Meeting Agenda at the request of staff; and Item No. 25 [Experience Scottsdale Destination Marketing Plan], Item No. 31 [Fiscal Year (FY) 2022/23 Operating and Capital Budget Adjustments and Cash Transfer] and Item No. 40A [Homeless Shelter and Service Funding Agreement] which was moved to the Regular Agenda. Councilwoman Whitehead 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.

REGULAR AGENDA

25. Experience Scottsdale Destination Marketing Plan

Request: Adopt **Resolution No. 12810** authorizing the Fiscal Year 2023/24 Strategic Business Plan, Performance Standards, and Contract Budget under Destination Marketing Services Contract No. 2022-054-COS with the Scottsdale Convention and Visitors Bureau, Inc., doing business as Experience Scottsdale.

Staff Contact(s): Karen Churchard, Tourism and Events Director, 480-312-2890, kchurchard@scottsdaleaz.gov

Tourism and Events Director Karen Churchard gave a PowerPoint presentation (attached) on the Experience Scottsdale Destination Marketing Plan.

MOTION AND VOTE – ITEM 25

Mayor Ortega made a motion to adopt Resolution No. 12810 authorizing the Fiscal Year 2023/24 Strategic Business Plan, Performance Standards, and Contract Budget under Destination Marketing Services Contract No. 2022-054-COS with the Scottsdale Convention and Visitors Bureau, Inc., doing business as Experience Scottsdale. Councilwoman Whitehead 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.

31. Fiscal Year (FY) 2022/23 Operating and Capital Budget Adjustments and Cash Transfer

Request: Adopt **Resolution No. 12809** to authorize:

3. FY 2022/23 operating and capital improvement plan budget adjustments for the purpose of complying with Ordinance No. 4551 and accurately expensing the FY 2022/23 budget.
4. A cash transfer from the FY 2022/23 Special Event Parking Fund within the Operating Budget Special Programs Fund to the FY 2022/23 WestWorld Parking Access Masterplan (DJ04) Capital Improvement Plan project.

Staff Contact(s): Judy Doyle, Budget Director, 480-312-2603, jdoyle@scottsdaleaz.gov

Budget Director Judy Doyle gave a PowerPoint presentation (attached) on the Fiscal Year (FY) 2022/23 operating and capital budget adjustments and cash transfer.

MOTION AND VOTE – ITEM 31

Councilmember Graham made a motion to adopt Resolution No. 12809. Councilwoman Whitehead 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.

40A. Homeless Shelter and Service Funding Agreement

Request: Adopt **Resolution No. 12888** to authorize:

1. Agreement No. 2023-123-COS with the Arizona Department of Housing to receive a grant of up to \$940,000, to be used for expanding the City's Bridge Housing Program and to provide supportive services to the homeless.
2. A Budget Transfer, of up to \$940,000, from the adopted Fiscal Year 2023/24 Future Grants Budget and/or Grant Contingency budget to a newly created cost center to record the related grant activity.
3. The City Manager, to execute any other documents and take such other actions as necessary to carry out the intent of this Resolution.

Staff Contact(s): Greg Bestgen, Human Services Department Director, 480-312-0104, gbestgen@scottsdaleaz.gov

Human Services Department Director Greg Bestgen gave a PowerPoint presentation (attached) on the homeless shelter and service funding agreement.

MOTION AND VOTE – ITEM 40A

Mayor Ortega made a motion to adopt Resolution No. 12888 authorizing Agreement No. 2023-123-COS with the Arizona Department of Housing. Councilwoman Janik seconded the motion, which carried 6/1, with Mayor Ortega; Vice Mayor Littlefield; and Councilmembers Caputi, Durham, Janik, and Whitehead voting in the affirmative and Councilmember Graham dissenting.

41. Fiscal Year (FY) 2023/24 Property Tax Levies

Request: Adopt **Ordinance No. 4595** assessing the FY 2023/24 primary and secondary property tax levies and fixing the primary and secondary property tax rates.

Presenter(s): Sonia Andrews, City Treasurer

Staff Contact(s): Judy Doyle, Budget Director, 480-312-2603, jdoyle@scottsdaleaz.gov

City Treasurer Sonia Andrews gave a PowerPoint presentation (attached) on the Fiscal Year 2023/24 property tax levies.

MOTION AND VOTE – ITEM 41

Councilwoman Caputi made a motion to approve Fiscal Year (FY) 2023/24 property tax levies and adopt Ordinance No. 4595. Councilwoman Whitehead seconded the motion, which carried 6/1, with Mayor Ortega; Vice Mayor Littlefield; and Councilmembers Caputi, Durham, Janik, and Whitehead voting in the affirmative and Councilmember Graham dissenting.

42. Fiscal Year (FY) 2023/24 Streetlight Improvement District Property Tax Levy

Request: Adopt **Ordinance No. 4596** assessing the FY 2023/24 Municipal Streetlight Improvement District property tax levy by district in accordance with Arizona Revised Statutes and the City Charter.

Presenter(s): Sonia Andrews, City Treasurer

Staff Contact(s): Judy Doyle, Budget Director, 480-312-2603, jdoyle@scottsdaleaz.gov

City Treasurer Sonia Andrews gave a PowerPoint presentation (attached) on the Fiscal Year 2023/24 Streetlight Improvement District property tax levy.

MOTION AND VOTE – ITEM 42

Councilmember Durham made a motion to adopt Ordinance No. 4596. Councilmember 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.

43. Intentionally Created Surplus Preservation Agreement

Request: Adopt **Resolution No. 12824** to authorize:

1. Agreement No. 2023-063-COS with the State of Arizona, acting through the Arizona Department of Water Resources and Central Arizona Water Conservation District for the Preservation of Intentionally Created Surplus for Colorado River water storage.
2. The Water Resources Executive Director, and City Attorney, and their respective designees, to execute such documents and take such other actions as necessary to carry out the intent of this Resolution.

Presenter(s): Brian Biesemeyer, Water Resources Executive Director and Gretchen Baumgardner, Water Policy Manager

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 the intentionally created surplus preservation agreement.

MOTION AND VOTE – ITEM 43

Councilwoman Whitehead made a motion to adopt Resolution No. 12824 to authorize the intentionally created surplus preservation agreement, No. 2023-063-COS. 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.

44. System Conservation Implementation Agreement

Request: Adopt **Resolution No. 12817** to authorize:

1. Agreement No. 2023-061-COS with the US Bureau of Reclamation and Central Arizona Water Conservation District to implement the Lower Colorado Conservation and Efficiency Program to conserve a portion of Scottsdale's Central Arizona Project water in Lake Mead in exchange for compensation.
2. The Water Resources Executive Director, and City Attorney, and their respective designees, to execute such documents and take such other actions as necessary to carry out the intent of this Resolution.

Presenter(s): Brian Biesemeyer, Water Resources Executive Director and Gretchen Baumgardner, Water Policy Manager

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 the system conservation implementation agreement.

MOTION AND VOTE – ITEM 44

Councilwoman Whitehead made a motion to adopt Resolution No. 12817 to authorize Agreement No. 2023-061-COS with the US Bureau of Reclamation and Central Arizona Water Conservation District to implement the Lower Colorado Conservation and Efficiency Program to conserve a portion of Scottsdale's Central Arizona Project water in Lake Mead in exchange for compensation. Mayor Ortega 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.

PUBLIC COMMENT – There was no public comment received.

CITIZEN PETITIONS

45. 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): Ben Lane, City Clerk, 480-312-2411, blane@scottsdaleaz.gov

No citizen petitions were received.

MOTION AND VOTE – ADJOURNMENT

Councilmember Graham made a motion to adjourn the Regular Meeting. Councilwoman Whitehead 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 at 7:05 P.M. Mayor Ortega noted the City Council would now be returning to its Executive Session Meeting.

SUBMITTED BY:

A handwritten signature in blue ink that reads "Ben Lane". The signature is written in a cursive, flowing style.

Ben Lane, City Clerk

Officially approved by the City Council on August 21, 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 of the City Council of Scottsdale, Arizona, held on the 27th day of June 2023.

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

DATED this 21st day of August 2023.

A handwritten signature in blue ink that reads "Ben Lane". The signature is written in a cursive style with a large initial "B".

Ben Lane, City Clerk

Item 25

**Experience Scottsdale
Destination Marketing Plan
City Council Meeting – June 27, 2023**

1

Destination Marketing

Provided through a five-year destination marketing agreement between the city and Experience Scottsdale approved by City Council in June 2022

The agreement continues to ensure that city funds are used for the program of work as presented within the Destination Marketing Plan

2

Annual Destination Marketing Plan

Strategic Business Plan

Marketing

Communications

Tourism

Convention Sales

FY 2023/24 Performance Standards

FY 2023/24 Contract Budget

3

FY 2023/24 Strategic Initiatives

New and enhanced strategies include:

Supporting the five-year Tourism & Events Strategic Plan

Pursuing sustainable tourism

Expanding audiences

Reaching seasonal and international markets

Growing luxury partnerships

Showcasing Scottsdale

Bringing sunshine Out of Home

Promoting city venues

4

FY 2023/24 Performance Standards

Determined by Experience Scottsdale staff and the city's contract administrator based on overall budget, prior year performance, economic and business cycles, and the capacity of staff and resources

Based on providing the greatest Return on Investment possible for the city

17 performance standards have been developed, five will be specific to businesses, entities, and areas within Scottsdale city limits only

5

City Services Bed Tax Funding

	Annual Goal	Actual thru 3rd Quarter	% of Annual Goal
Number of media placements	780	1,084	107%
Number of travel trade professionals trained about Scottsdale specifically	800	1,575	197%
Number of convention sales leads for properties	1,428	1,656	116%
Number of meetings booked into properties	210	225	107%
Number of estimated room nights from meetings booked into properties	38,400	49,577	129%

Source: Experience Scottsdale 3rd Quarter Report

6

City Services Bed Tax Funding

Forty-five percent of the actual total revenue derived from the bed tax will be paid to Experience Scottsdale

City's FY 2023/24 Adopted Operating Budget forecasts bed tax revenue at \$31.4 million

Remaining 5 percent of destination marketing funds are allocated in the city's destination marketing reserve fund

The remaining 50 percent is allocated among tourism research, support for tourism-driven events, tourism-related capital projects, and other eligible uses including the 50 percent of the Fiesta Bowl expenditure of \$204,530

7

City Services Funding

	FY 2021/22 Actuals (Accrual Basis)	FY 2022/23 Forecast (Cash Basis)	FY 2023/24 Budget (Cash Basis)
Contract Amount	10,818,615	15,724,245	14,151,820
Fiesta Bowl Pass-Thru	189,100	196,664	204,530
	\$11,007,715	\$15,920,909	\$14,356,350

Sources: City of Scottsdale City Treasurer's Division and Experience Scottsdale

8

2022 Advertising ROI Research

City contracted with Longwoods to conduct research designed to:

Measure the ROI and advertising awareness of the Scottsdale Spring–Winter 2022 advertising campaigns, and

Through an analysis of Scottsdale’s image, provide input into the development of positioning and messaging for future campaigns.

9

2022 Advertising ROI Research

Benchmark study of 1,408 respondents in three key markets - New York, Chicago, Los Angeles

Campaigns produced an additional 821,000 trips to Scottsdale. These incremental Scottsdale visitors spent \$217.2 million

When related to advertising costs of \$1.9 million, this translates into return on investment of \$116 in visitor spending for each advertising dollar spent

Incremental expenditures yielded \$7.6 million in incremental local taxes. The return on investment of this campaign was \$4 in taxes for each advertising dollar spent

10

2022 Advertising ROI Research

Compared consumers' ratings of Scottsdale on economic development image attributes by those who had not seen the campaign or visited Scottsdale with those who did see the tourism ads and/or visited, to determine the "halo effect" of Experience Scottsdale's campaign.

In every case, Scottsdale's tourism advertising significantly improved the image of Scottsdale for a wide range of economic development objectives.

Longwoods noted that the results of the survey were a "strong indicator of an incredibly efficient campaign."

11

Action Requested

Adopt Resolution No. 12810 authorizing the FY 2023/24 Strategic Business Plan, Performance Standards and Contract Budget under Destination Marketing Services Contract No. 2022-054-COS between the City of Scottsdale and Scottsdale Convention and Visitors Bureau D/B/A Experience Scottsdale.

12

Item 31

FY 2022/23 OPERATING & CAPITAL BUDGET ADJUSTMENTS AND CASH TRANSFER

City Council Meeting
June 27, 2023

1

	<u>NET IMPACT</u>
WATER RESOURCES	
From: Reclaimed Water Distribution Fund	(75,000)
To: PCX - I Treatment Fund	75,000
PUBLIC WORKS	
From: Fleet Management Fund	(583,494)
To: Grant Funds	583,494
COMMUNITY & EC. DEV	
From: Special Programs Fund	(2,500,000)
To: Tourism Development Fund	2,500,000
TOTAL OPERATING BUDGET AUTHORITY IMPACT	<u>0</u>

**OPERATING
BUDGET**
Utilize Existing
Budget
Authority for
Expenditures

2

2

DIVISION	GENERAL FUND	OTHER FUNDS
Public Safety – Fire	1,803,270	
City Attorney (Grant Funds)		32,000
Community Services (Special Programs Fund)		826,500
Community & Ec. Dev (Grant Funds, Tourism Dev Fund)		1,205,000
TOTAL PROPOSED USE (MAXIMUM AMOUNT)	1,803,270	2,063,500

OPERATING BUDGET

Use of Contingency

3

3

CAPITAL PROJECTS	NET IMPACT
Fire Alarm Monitoring Upgrade	(2,700)
Sky Room at Civic Center Library	2,700
Redfield Road: Raintree Drive to Hayden Road	(68,961)
Raintree Drive: Scottsdale Road to Hayden Road	68,961
Booster Station Upgrades	(1,000,000)
Frank Lloyd Wright 24-inch Transmission Main & Booster Station 83B Modifications	1,000,000
Water Distribution System Improvements	(8,875,000)
Water Treatment Facility Improvements	(1,872,000)
Water Fund Contingency	(4,253,000)
Deep Well Recharge/Recovery Projects	15,000,000
Community Services (WestWorld, Parks & Recreation)	(69,828)
Water Resources	(40,783)
Public Works (Transportation, Fleet Management)	(8,332,683)
Continuous Fleet Replacement	8,443,294
TOTAL BUDGET UPDATE IMPACT	0

CAPITAL BUDGET

Budget Update

4

4

CAPITAL PROJECT	GENERAL FUND	OTHER FUNDS
Happy Valley Road: Pima Road to Alma School Road (Transp. Fund)		650,000
IT – Network Infrastructure	440,000	
TOTAL PROPOSED USE (MAXIMUM AMOUNT)	440,000	650,000

OPERATING BUDGET

Use of Contingency

5

5

FROM/TO	AMOUNT
Operating Special Programs Fund (Special Event Parking)	(500,000)
WestWorld Parking Access Masterplan capital project	500,000

CAPITAL BUDGET

Cash Transfer Adjustment

6

6

ACTION

- **ADOPT RESOLUTION NO. 12809** authorizing FY 2022/23 Operating and Capital Improvement Plan (CIP) budget adjustments and authorizing a cash transfer from the FY 2022/23 Special Event Parking Fund within the Operating Budget Special Programs Fund to the FY 2022/23 WestWorld Parking Access Masterplan (DJ04) CIP project.

Item 40A

Arizona Department of Housing Grant

- \$940,000 received to continue Bridge Housing Program through 9/30/2024
 - \$500,000 For Room Rental
 - \$400,000 For Supportive Services
 - \$40,000 For Nutrition and Essential Needs



FY 2023/24 PROPERTY TAX LEVY AND RATE

City Council Meeting
June 27, 2023

1

2-STEP PROCESS FOR PROPERTY TAX ADOPTION REQUIRED BY STATE LAW

June 13	Truth In Taxation Hearing, Public Hearing and Presentation
June 27	Adoption of Property Tax Levies

2

2

FY23/24 Combined Primary and Secondary Property Tax

Combined Property Tax	Tax Rate	Levy
Primary	0.5150	\$39.3M
Secondary (for debt service on voter approved G.O. Bonds)	0.4664	\$35.6M
Combined FY23/24 Property Tax	0.9814	\$74.9M

3

3

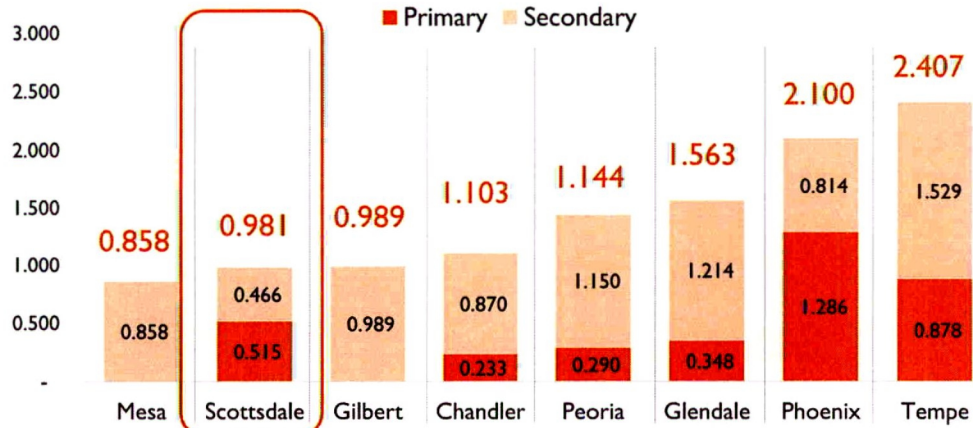
SCOTTSDALE'S PROPERTY TAX RATES

Fiscal Year	Primary Rate	Secondary Rate	Combined Rate	% Change
2018/19	0.5316	0.5705	1.1021	
2019/20	0.5198	0.5214	1.0412	-6%
2020/21	0.5273	0.5043	1.0316	-1%
2021/22	0.5039	0.5042	1.0081	-2%
2022/23	0.4970	0.4101	0.9071	-10%
2023/24	0.5150	0.4664	0.9814	8%

4

4

COMPARISON OF FY23/24 PROPERTY TAX RATES



Note: Each city has a wide range of property values which affect actual amounts paid.

5

5

ACTION

- ADOPT ORDINANCE NO. 4595** assessing the FY 2023/24 primary and secondary property tax levies and fixing the primary and secondary property tax rates.

6

6

**FY 2023/24
MUNICIPAL STREETLIGHT IMPROVEMENT
DISTRICT PROPERTY TAX LEVY**

City Council Meeting
June 27, 2023

1

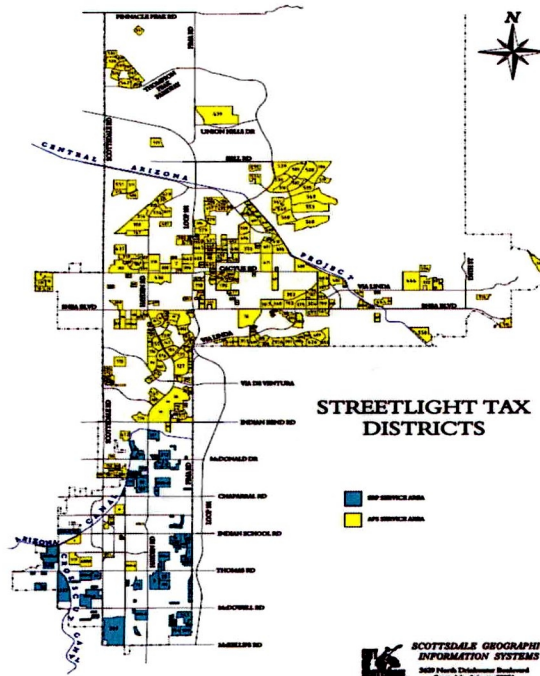
**2-STEP PROCESS FOR PROPERTY TAX ADOPTION
REQUIRED BY STATE LAW**

June 13	Public Hearing and Presentation
June 27	Adoption of Property Tax Levies

2

2

FY 2023/24
Proposed
Expense
and Tax Levy
\$494,979



3

ACTION

- **ADOPT ORDINANCE NO. 4596** assessing the FY 2023/24 Streetlight Improvement District property tax levy by district in accordance with Arizona Revised Statutes and City Charter.

4

4

Item 43

Intentionally Created Surplus (ICS) Preservation Agreement with the Central Arizona Water Conservation District (“CAWCD”), Arizona Department of Water Resources and the City of Scottsdale



Scottsdale Water

6/27/2023



1

ICS History

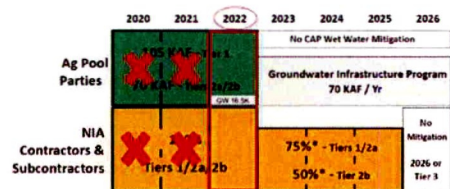
- **2007** - The 2007 Interim Guidelines for Lower Basin Shortage were created to determine shortage conditions and triggers.
 - To incentivized water storage in Lake Mead and obtain credits for the retained water, Intentionally Created Surplus (“ICS”) was created
- **2019** - Drought Contingency Plan (DCP) created as addition to the Guidelines to respond to worsening conditions
 - To assist junior right holders, NIA priority water holders were given mitigation options.
 - Agreement obligates CAWCD to use ICS water to mitigate some of the impacts of DCP water reductions for those that entities that have access to NIA water.
- **2023** - Intentionally Created Surplus (ICS) Preservation Agreement
 - CAWCD seeks voluntary compensated reductions to preserve and retain ICS to help support Lake Mead elevations and preserve the ICS asset for future use.

2

Effects to Scottsdale

- For Scottsdale, this means that for calendar year 2023, CAWCD must mitigation 75% of Scottsdale's NIA reduction of a Tier 2a shortage with water using ICS credit in Lake Mead. This equates to 2,479 acre-feet.
- Compensation at \$330/af equates to \$818,070

Mitigation Commitments



3

CAP and ADWR

- As conditions on the system continue to be tenuous and negotiation with future actions point to potential reductions in future years, ADWR and CAWCD believe it is important to seek voluntary compensated reductions in CAP Water deliveries from Subcontractors to preserve and retain ICS to help support Lake Mead elevations and preserve the ICS asset for future use.



4



Staff Recommends:

Adopt Resolution No. 12824 approving Contract No. 2023-063-COS, the Agreement among the State of Arizona, acting through the Arizona Department of Water Resources, the Central Arizona Water Conservation District (“CAWCD”), and the City of Scottsdale for the Preservation of Intentionally Created Surplus (ICS).

THANK YOU



Item 44

The System Conservation Implementation Agreement (SCIA) between the US Bureau of Reclamation, the Central Arizona Water Conservation District (“CAWCD”), and the City of Scottsdale



Scottsdale Water

6/27/2023



1

Compensated Conservation Agreement

In response to on-going conditions on the Colorado River between drought and structural deficit The Bureau of Reclamation along with Lower Basin state entries are participating in an effort to conserve additional water in Lake Mead behind Hoover Dam in calendar year 2023-2026.



2

Lower Colorado River Basin conserve water

- This initiative is part of the larger Lower Colorado Conservation and Efficiency Program funded by the Inflation Reduction Act of 2022, designed to incentivize water users to conserve water to protect Lake Mead from catastrophic risks.
- The lower basin agree to conserve 3.0 million acre-feet through 2026 for federal compensation



3

Lower Basin States Proposal

	2023	2024	2025	2026	4-year total
Additional Conservation					
California (KAF)	400	430	430	350	1.6 MAF
Arizona (KAF)	375	375	375	20	1.15 MAF
Nevada (KAF)	75	75	75	65	285 KAF
Total Additional Conservation	840	880	870	430	3.0 MAF

KAF - thousand acre-feet, MAF - million acre-feet

None of the 3MAF will be created by mandatory reduction

Conservation in addition to existing 2007 Interim Guidelines, the Lower Basin DCP and Minute 323

4

Arizona Participating Entities

- Peoria
- Phoenix
- Scottsdale
- Tucson
- Glendale
- Gilbert
- Gila River Indian Community
- Metropolitan Water District (Tucson)
- ASARCO



5

Compensated Conservation Agreement

- Under this System Conservation Agreement:
 - Scottsdale will leave water in Lake Mead for compensation in years 2023 – 2025 with varying amounts of:
 - 2023 – 7,000 acre-feet
 - 2024 – 6,000 acre-feet
 - 2025 – 5,000 acre-feet
 - The three-year term agreement enables Scottsdale to be compensated at the \$400/af rate, for annual compensation of:
 - 2023 – \$2,800,000
 - 2024 – \$2,400,000
 - 2025 – \$2,000,000

6



Staff Recommends:

Adopt Resolution No. 12817 approving Contract No. 2023-061-COS, the System Conservation Implementation Agreement (SCIA) between the US Bureau of Reclamation, the Central Arizona Water Conservation District (“CAWCD”), and the City of Scottsdale to implement the Lower Colorado Conservation and Efficiency Program to conserve a portion of Scottsdale’s CAP water in Lake Mead in exchange for compensation.

THANK YOU