

**SCOTTSDALE CITY COUNCIL
REGULAR MEETING AND WORK STUDY SESSION MINUTES
TUESDAY, JUNE 25, 2024**



**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 5:11 P.M. on Tuesday, June 25, 2024 in the City Hall Kiva Forum.

ROLL CALL

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

The Pledge of Allegiance was led by Vice Mayor Graham.

MAYOR'S REPORT

Mayor Ortega announced the incorporation of Scottsdale 73 years ago on June 25, 1951, with 2,000 people in an area less than one square mile, noting Malcolm White was appointed the first mayor and Scottsdale adopted "The West's Most Western Town" as its official motto.

Mayor Ortega discussed Scottsdale Police Detective Ryan So, who died in the line of duty. Detective So was a valued member of the community and the Scottsdale Police Department. Mayor Ortega noted the City's thoughts were with Detective So's family and the Scottsdale Police Department. After a video presentation dedicated to Detective So, Mayor Ortega requested a moment of silent reflection.

PRESENTATIONS/INFORMATION UPDATES

- **Arizona Water Association Awards Presentation**
Presenter(s): Kevin Rose, Water Resources Administrator
Note: The Council may make comments or ask questions to the presenter(s); however, no Council action will be taken.

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.

Water Resources Administrator Kevin Rose gave a PowerPoint presentation (attached) on the Arizona Water Association Awards won by the City of Scottsdale's Water Services Department.

PUBLIC COMMENT

Lee Kauftheil presented a PowerPoint presentation (attached) and discussed the intersection of transportation, development, and city services.

MINUTES

Request: Approve the following Council meeting minutes from May 2024:

- a. **Special Meeting Minutes of May 14, 2024**
- b. **Regular Meeting and Work Study Session Minutes of May 14, 2024**

MOTION AND VOTE - MINUTES

Councilwoman Janik made a motion to approve the Special Meeting Minutes of May 14, 2024 and the Regular Meeting and Work Study Session Minutes of May 14, 2024. Councilwoman Whitehead seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Graham; and Councilmembers Caputi, Durham, Janik, Littlefield, and Whitehead voting in the affirmative.

CONSENT AGENDA

1. **The Monarch Liquor License (30-LL-2024)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 11 (hotel/motel with restaurant) State liquor license for an existing location with a new owner.
Location: 4000 N. Drinkwater Boulevard
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
2. **Nonexclusive Utility Easement Agreement for Aquifer Storage and Recovery Well 159**
Request: Adopt **Resolution No. 13143** authorizing Contract No. 2024-119-COS with Arizona Public Service, granting and conveying a nonexclusive utility easement upon, under, and across City property to provide power to the City's Aquifer Storage and Recovery Well 159.
Location: 7440 E. Legacy Boulevard
Staff Contact(s): Dan Worth, Public Works Director, 480-312-5555, daworth@scottsdaleaz.gov
3. **Nonexclusive Utility Easement Agreement for Aquifer Storage and Recovery Well 161 and DraftKings Hawk Light**
Request: Adopt **Resolution No. 13160** authorizing Contract No. 2024-121-COS with Arizona Public Service, granting and conveying a nonexclusive utility easement upon, under, and across City property to provide power to the City's Aquifer Storage and Recovery Well 161 and the DraftKings High-Intensity Activated Crosswalk ("Hawk") Light.
Location: 8081 E. Princess Drive
Staff Contact(s): Dan Worth, Public Works Director, 480-312-5555, daworth@scottsdaleaz.gov

4. Workforce Development Services Intergovernmental Agreement Amendment

Request: Adopt **Resolution No. 13087** to authorize:

1. Agreement No. 2023-075-COS-A1, the first amendment and first one-year extension to the agreement with Maricopa County, updating the funding amount to 50% shared costs for workforce development services at the Vista del Camino Community Center.
2. A Budget Transfer, of up to \$56,762, from the adopted Fiscal Year 2024/25 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): Judy Doyle, Community Services Assistant Executive Director, 480-312-2691, jdoyle@scottsdaleaz.gov

5. First Things First Grant Agreement Amendment for the Scottsdale Family Resource Center

Request: Adopt **Resolution No. 13147** to authorize:

1. Agreement No. 2023-082-COS-A1 with the Arizona Early Childhood Development and Health Board (First Things First), to renew the grant agreement for an additional 12-month period, and to accept a grant, in the amount of up to \$250,000, for the Scottsdale Family Resource Center.
2. The Human Services Director to execute all documents necessary for the acceptance and administration of the grant and take such other actions as necessary to carry out the intent of this Resolution.

Staff Contact(s): Judy Doyle, Community Services Assistant Executive Director, 480-312-2691, jdoyle@scottsdaleaz.gov

6. Family Self Sufficiency Grant

Request: Adopt **Resolution No. 13150** to authorize:

1. Acceptance of a Family Self Sufficiency Grant, in the amount of \$88,949, from the U.S. Department of Housing and Urban Development effective January 1, 2024.
2. A Budget Transfer, in the amount up to \$44,475, from the Fiscal Year 2023/24 Future Grants Budget and/or Grant Contingency Budget to a cost center within the Housing Choice Voucher Fund to record the related grant activity.
3. A Budget Transfer, in the amount up to \$44,474, from the Fiscal Year 2024/25 Future Grants Budget and/or Grant Contingency Budget to a cost center within the Housing Choice Voucher Fund to record the related grant activity.
4. 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): Judy Doyle, Community Services Assistant Executive Director, 480-312-2691, jdoyle@scottsdaleaz.gov

7. Community Action Program Intergovernmental Agreement Amendment

Request: Adopt **Resolution No. 13156** to authorize:

1. Agreement No. 2022-094-COS-A3 with the Maricopa County Human Services Department for the purpose of accepting \$408,375 to operate the City's Community Action Program, which provides 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): Judy Doyle, Community Services Assistant Executive Director, 480-312-2691, jdoyle@scottsdaleaz.gov

8. Regional Economic Development Marketing Services Agreement

Request: Adopt **Resolution No. 13115** authorizing Agreement No. 2024-071-COS with the Greater Phoenix Economic Council, in the amount of \$121,711, for regional economic development marketing services.

Staff Contact(s): Teri Killgore, Economic Development Director, 480-312-2533, tkillgore@scottsdaleaz.gov

9. Experience Scottsdale Destination Marketing Plan

Request: Adopt **Resolution No. 13104** authorizing the Fiscal Year 2024/25 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): Steve Geiogamah, Acting Tourism & Events Director, 480-312-4013, sgeiogamah@scottsdaleaz.gov

10. Scottsdale Arts Financial Participation Agreement

Request: Adopt **Resolution No. 13105** authorizing Agreement No. 2024-067-COS with Scottsdale Cultural Council, doing business as Scottsdale Arts, for Fiscal Year 2024/25, in the amount of \$6,057,005, to be allocated for activities consistent with Management Services Agreement No. 2020-046-COS.

Staff Contact(s): Steve Geiogamah, Acting Tourism & Events Director, 480-312-4013, sgeiogamah@scottsdaleaz.gov

11. Scottsdale's Museum of the West Financial Participation Agreement

Request: Adopt **Resolution No. 13106** authorizing Financial Participation Agreement No. 2024-068-COS with Scottsdale's Museum of the West, Inc., for Fiscal Year 2024/25 in the amount of \$650,000, to be allocated for activities consistent with Museum Management Agreement No. 2021-088-COS-A1.

Staff Contact(s): Steve Geiogamah, Acting Tourism & Events Director, 480-312-4013, sgeiogamah@scottsdaleaz.gov

12. Arizona Indigenous Culinary Experience Event Funding

Request: Adopt **Resolution No. 13121** to authorize:

1. Funding, not to exceed \$26,750, from the portion of the Fiscal Year (FY) 2024/25 Tourism Development Fund that is allocated in the FY 2024/25 Operating Budget toward event retention and development for the Arizona Indigenous Culinary Experience.
2. New Event Funding Agreement No. 2024-078-COS with Jeffrey Ferns doing business as Tarra Lazos Creative.

Staff Contact(s): Steve Geiogamah, Acting Tourism & Events Director, 480-312-4013, sgeiogamah@scottsdaleaz.gov

13. Arizona Musicfest 2024-25 Concert Series Event Funding

Request: Adopt **Resolution No. 13123** to authorize:

1. Funding, not to exceed \$75,000, from the portion of the Fiscal Year (FY) 2024/25 Tourism Development Fund that is allocated in the FY 2024/25 Operating Budget toward event retention and development for the Arizona Musicfest.
2. New Event Funding Agreement No. 2024-080-COS with Arizona Musicfest.

Staff Contact(s): Steve Geiogamah, Acting Tourism & Events Director, 480-312-4013, sgeiogamah@scottsdaleaz.gov

14. Tourism Event Funding Programs

Requests: Adopt the following resolutions authorizing use of the Tourism Development Fund for Fiscal Year 2024/25 events that meet the criteria of the following Tourism Event Funding programs:

1. **Resolution No. 13124** authorizing the Event Venue Fee Funding Program and the Mayor to execute individual agreements with each event producer.
2. **Resolution No. 13125** 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. 13126** authorizing the Matching Event Advertising Funding Program and the Mayor to execute individual agreements with each event producer.
4. **Resolution No. 13127** 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): Steve Geiogamah, Acting Tourism & Events Director, 480-312-4013, sgeiogamah@scottsdaleaz.gov

15. Traumatic Event Behavioral Services Professional Services Contract Modification

Request: Adopt **Resolution No. 13159** to authorize:

1. Contract No. 2019-101-COS-A1 with Public Safety Crisis Solutions, LLC, to extend the term of the contract until January 2, 2025, or until a new contract is awarded, whichever occurs first; and increasing the expense limit to \$120,000 annually, to provide as-needed traumatic event behavioral services to fire and police personnel.
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): Tom Shannon, Fire Chief, 480-312-1821, tshannon@scottsdaleaz.gov

16. East Valley Critical Incident Response Team Intergovernmental Agreement

Request: Adopt **Resolution No. 13146** authorizing Agreement No. 2024-088-COS with various municipalities for participation in the East Valley Critical Incident Response Team.

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

17. Stadium Security Services Intergovernmental Agreement

Request: Adopt **Resolution No. 13171** authorizing Agreement No. 2018-084-COS-A2, the second amendment to the agreement with the City of Glendale for the provision of security and traffic control services by Scottsdale police officers at State Farm Stadium.

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

18. 9-1-1 Program Grant Agreement

Request: Adopt **Resolution No. 13164** to authorize:

1. Grant Agreement No. 2024-122-COS with the Arizona Department of Administration, accepting a grant, in the amount of \$319,666, related to the 9-1-1 Grant Program, for reimbursement of annual costs for public safety answering point emergency telecommunications.
2. The City Manager, or designee, to execute Agreement No. 2024-122-COS.
3. A Budget Transfer, of up to \$319,666, from the Fiscal Year 2024/25 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

19. 2023 Boards and Commissions Annual Reports

Request: Accept the 2023 annual reports approved by each publicly appointed board, commission, and working task force.

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

20. Scottsdale College Promise Funding Agreement

Request: Adopt **Resolution No. 13151** to authorize:

1. Agreement No. 2024-090-COS with the Maricopa County Community College District Foundation and Maricopa County Community College District, on behalf of Scottsdale Community College, to fund the Scottsdale College Promise Scholarship Program to be paid annually for five years by the City.
2. The City Manager, or designee, to execute any other documents and take such other actions as necessary to carry out the purpose of this Resolution.

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

21. Proposition 202 Grant Applications

Request: Adopt **Resolution No. 13148** authorizing the Government Relations Director, or designee, to submit Proposition 202 grant applications to local Indian Nations for tribal gaming grants for the period of July 1, 2024, through June 30, 2025.

Staff Contact(s): Dale Wiebusch, Government Relations Director, 480-312-2683, dwiebusch@scottsdaleaz.gov

22. Fiscal Year (FY) 2023/24 Operating and Capital Budget Adjustments

Request: Adopt **Resolution No. 13153** authorizing FY 2023/24 Operating and Capital Improvement Plan Budget adjustments and project elimination for the purpose of complying with Ordinance No. 4602 and accurately expensing the FY 2023/24 budget.

Staff Contact(s): Ana Lia Johnson, Acting Budget Director, 480-312-7893, anjohanson@scottsdaleaz.gov

23. Monthly Financial Report

Request: Accept the Fiscal Year 2023/24 Monthly Financial Report as of April 2024.

Staff Contact(s): Ana Lia Johnson, Acting Budget Director, 480-312-7893, anjohanson@scottsdaleaz.gov

24. Mastroianni v. City of Scottsdale Settlement

Request: Adopt **Resolution No. 13168** to authorize:

1. Settlement of *Greg J. Mastroianni v. City of Scottsdale* in the amount of \$100,000, bringing Mr. Mastroianni's lifetime disability award to a close and authorizing a credit of \$100,000 against any future disability benefit to which Mr. Mastroianni may become entitled in the event that his case is ever reopened.
2. The City Manager, City Treasurer, City Attorney, and their respective staff, to execute any other 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

There was no public comment on the Consent Agenda items.

MOTION AND VOTE – CONSENT AGENDA

Councilwoman Whitehead made a motion to approve Consent Agenda Items 1 through 24. Councilmember Durham seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Graham; and Councilmembers Caputi, Durham, Janik, Littlefield, and Whitehead voting in the affirmative.

REGULAR AGENDA

25. Fiscal Year (FY) 2024/25 Property Tax Levies

Request: Adopt **Ordinance No. 4640** assessing the FY 2024/25 primary and secondary property tax levies and fixing the primary and secondary property tax rates.

Presenter(s): Sonia Andrews, City Treasurer

Staff Contact(s): Ana Lia Johnson, Acting Budget Director, 480-312-7893, anjohnson@scottsdaleaz.gov

City Treasurer Sonia Andrews gave a PowerPoint presentation (attached) on the proposed Fiscal Year 2024/25 Property Tax Levies.

There was no public comment on this item.

MOTION AND VOTE – ITEM 25

Councilwoman Janik made a motion to adopt Ordinance No. 4640 assessing the Fiscal Year 2024/25 primary and secondary property tax levies and fixing the primary and secondary property tax rates. Councilwoman Caputi seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Graham; and Councilmembers Caputi, Durham, Janik, Littlefield and Whitehead voting in the affirmative.

26. Fiscal Year (FY) 2024/25 Streetlight Improvement District Property Tax Levy

Request: Adopt **Ordinance No. 4641** assessing the FY 2024/25 Municipal Streetlight Improvement District property tax levy, by district, in accordance with Arizona Revised Statutes and the City Charter.

Presenter(s): Anna Henthorn, Accounting Director

Staff Contact(s): Anna Henthorn, Accounting Director, 480-312-7805, ahenthorn@scottsdaleaz.gov

Accounting Director Anna Henthorn gave a PowerPoint presentation (attached) on the proposed Fiscal Year 2024/25 Municipal Streetlight Improvement District Property Tax Levy.

There was no public comment on this item.

MOTION AND VOTE – ITEM 26

Councilwoman Whitehead made a motion to adopt Ordinance No. 4641 assessing the Fiscal Year 2024/25 Municipal Streetlight Improvement District property tax levy, by district, in accordance with Arizona Revised Statutes and the City Charter. Councilwoman Janik seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Graham; and Councilmembers Caputi, Durham, Janik, Littlefield, and Whitehead voting in the affirmative.

PUBLIC COMMENT

No public comments were received.

CITIZEN PETITIONS

27. 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.

MAYOR AND COUNCIL

28. Boards, Commissions, and Task Force Nominations

- Development Review Board (one vacancy) – Councilwoman Caputi nominated Danielle Davis; Councilwoman Janik nominated Donna Robinson; Councilwoman Littlefield nominated Steven Sussholz; and Councilmember Durham nominated Julie Berry.

WORK STUDY SESSION

PUBLIC COMMENT

There was no public comment on these items.

1. Water Resources and Colorado River Update

Request: Presentation, discussion, and possible direction to staff regarding the Colorado River Basin drought and shortage.

Presenter(s): 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) update on water resources and the Colorado River.

Councilmembers made the following observations and suggestions:

- Provide a quarterly water report to the City Council that follows the hydrological reporting period from October to September.
- Properly placing forest trees and clearing the forest floors appropriately leads to an enhanced water yield and less heat issues.
- Two percent of the time the city is at a 100 percent reduction of Colorado River water availability. For this reason, the city needs to be able to utilize other sources of its water portfolio during these times of significant reduction.
- The City Council passed Consent Agenda Items 2 and 3 during tonight's Council Meeting. These items allow access to well sites by Arizona Public Service (APS) to provide power to the City's Aquifer Storage and Recovery Wells 159 and 161.

2. Scottsdale Water Strategic Plan 2025-2030

Request: Presentation, discussion, and possible direction to staff regarding Scottsdale Water's Strategic Plan 2025-2030.

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 and Public Information Officer Staci Charles gave a PowerPoint presentation (attached) on the proposed Scottsdale Water Strategic Plan 2025-2030.

Councilmembers made the following observations and suggestions:

- Wells can be reversed, so they can either extract water or put water into the aquifer.
- The city takes purified water and stores it in the aquifer.
- After water is purified, instead of storing water in the aquifer, it could be looped back into the system, to avoid having to purify it twice, since it would need to be purified again after being retrieved from the aquifer. This would result in energy and storage savings for the city.
- Greatest economy would be purified water reuse.
- It is beneficial to have a dedicated Public Information Officer (PIO) for the Water Services Department and there should be a dedicated PIO for every City department to provide accurate information to residents.
- The Water Services Department should continue to make sure residents understand the seriousness of the current water situation.

MOTION AND VOTE – ADJOURNMENT

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

ADJOURNMENT

Mayor Ortega adjourned the Regular Meeting and Work Study Session at 6:40 P.M.

SUBMITTED BY:



Ben Lane, City Clerk

Officially approved by the City Council on August 21, 2024

CERTIFICATE

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 June 2024.

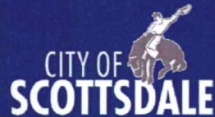
I further certify that the meeting was duly called and held, and that a quorum was present.

DATED this 21st day of August 2024.



Ben Lane, City Clerk

AZ Water Association Awards presented at 2024 AZ Water Conference



2024 AZ Water Awards

Large Water Distribution System of the Year

- Dedication and engagement of Water Distribution Team
- Commitment to mission day in and day out
- Complexity of distribution system
- High safety standards
- Contribution to public outreach

18 pressures zones
11,000 fire hydrants
48,000 valves
2,100 miles of pipe

"... the unsung heroes that overcome challenges and exceed industry metrics."



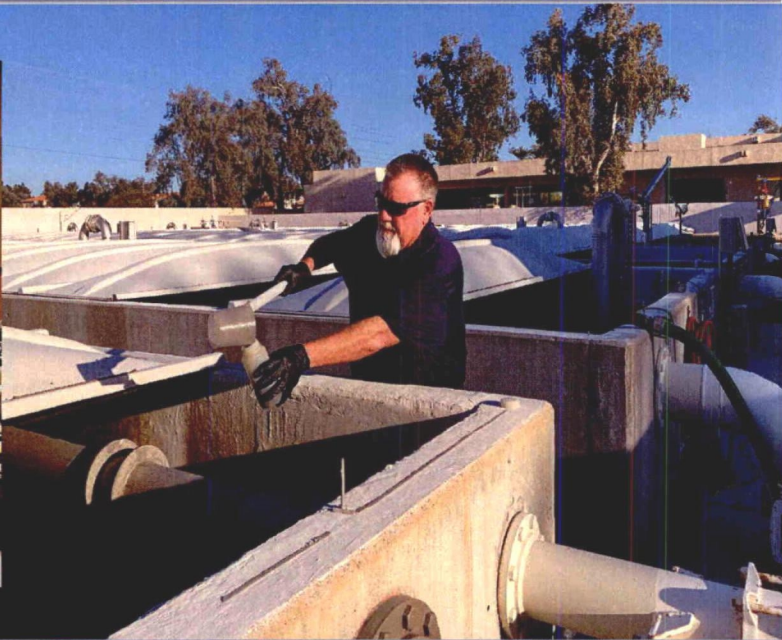
2024 AZ Water Awards

Scott Piros: Small Treatment Plant Supervisor of the Year

- 13 years at Scottsdale Water
- Manages Gainey Water Reclamation Facility
- Recognized for:
 - Improving operational efficiency
 - Implementing preventive maintenance processes
 - Fostering operator engagement

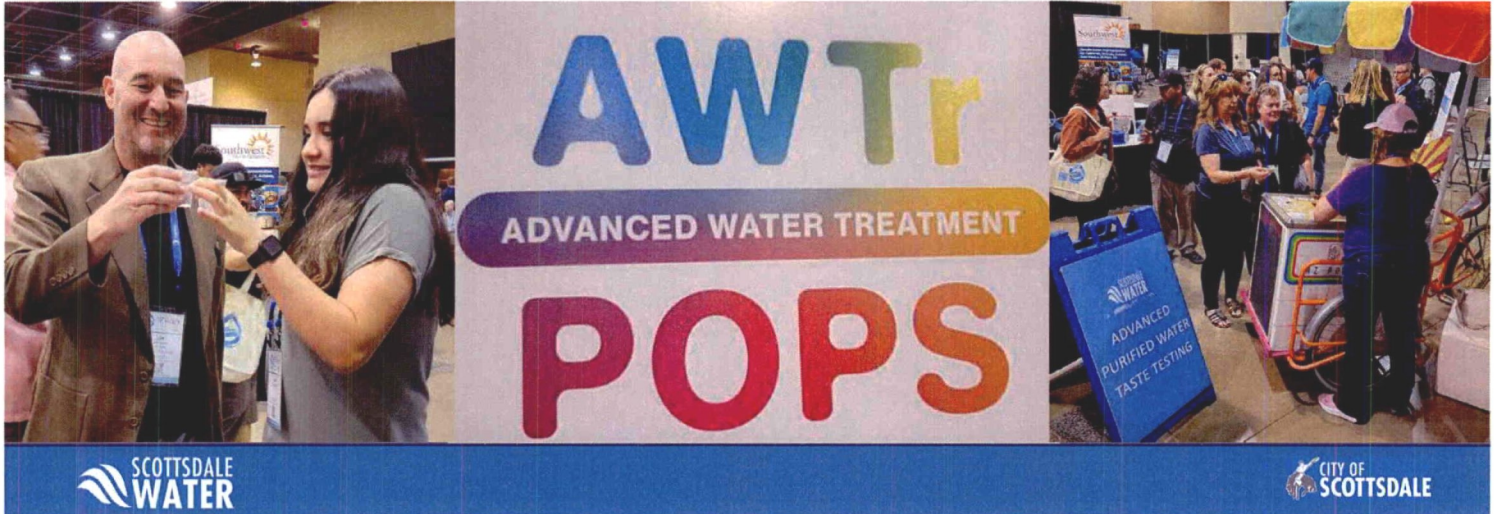
"His dedication to water quality is evident in his proactive strategies, process optimization, and innovative approaches to persistent treatment issues."

2024 AZ Water Conference



2024 AZ Water Conference

Advanced Purified Water: Water Tasting & Popsicles
"Engage in the Conversation"

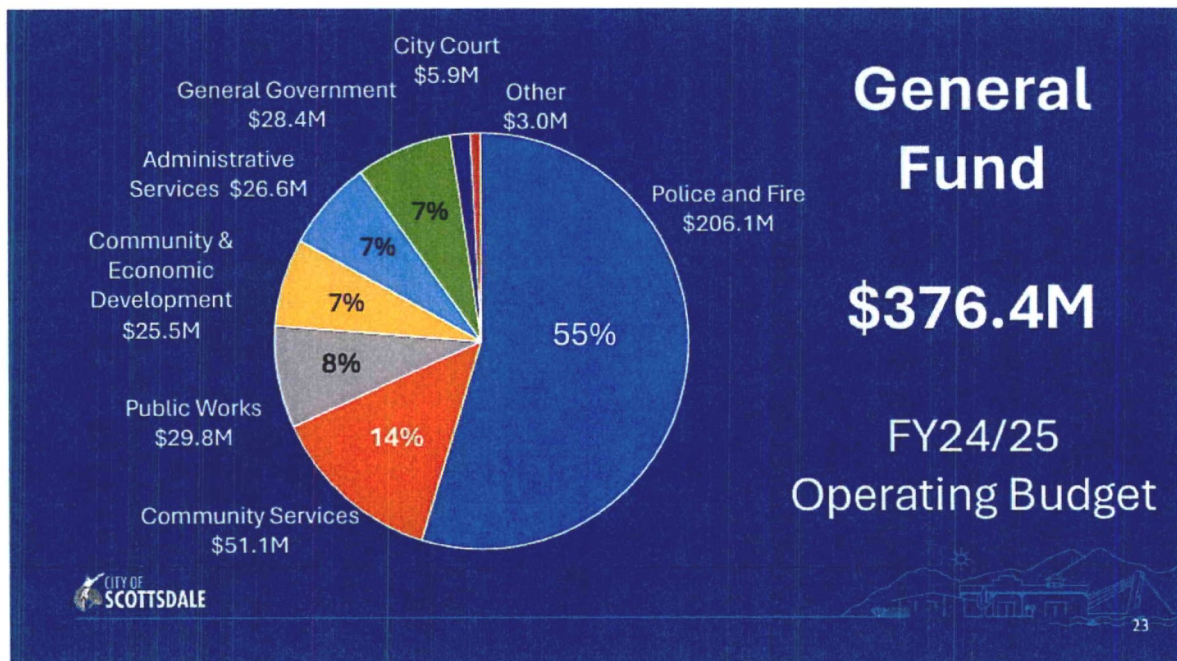
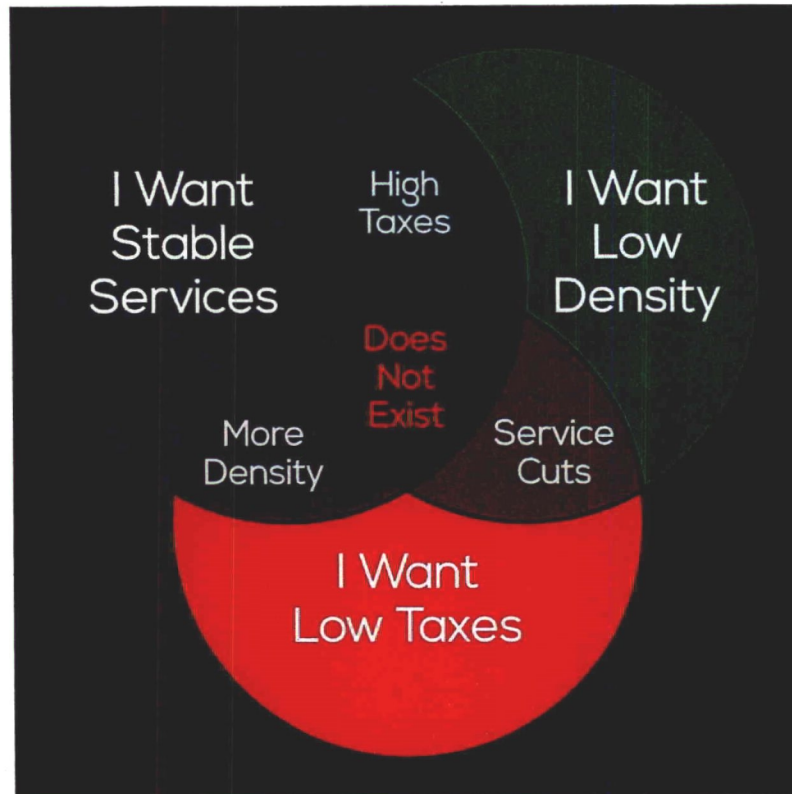


 SCOTTSDALE
WATER

Questions

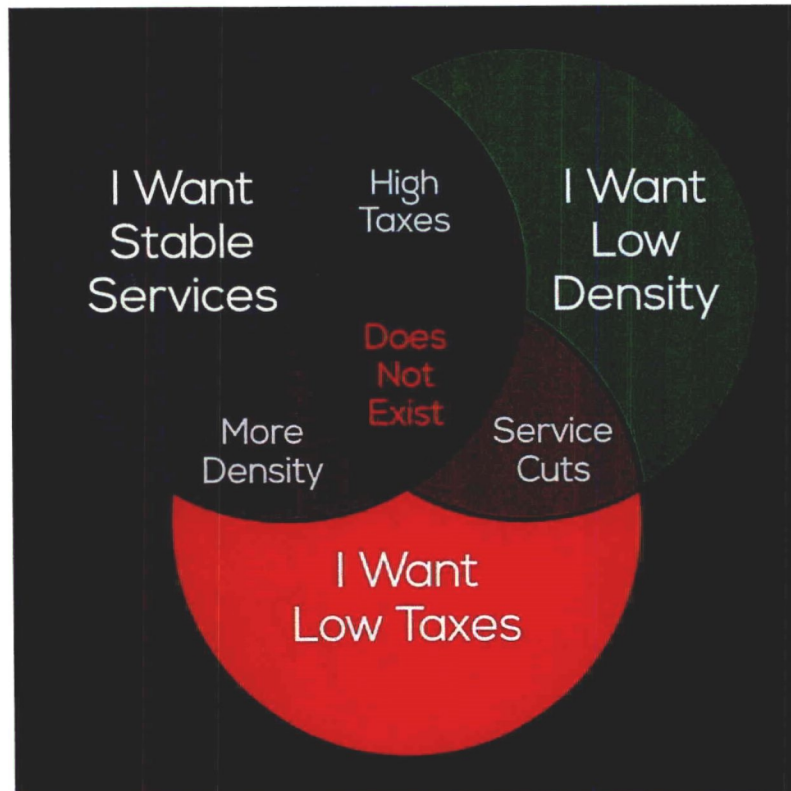

CITY OF
SCOTTSDALE

Public
Comment

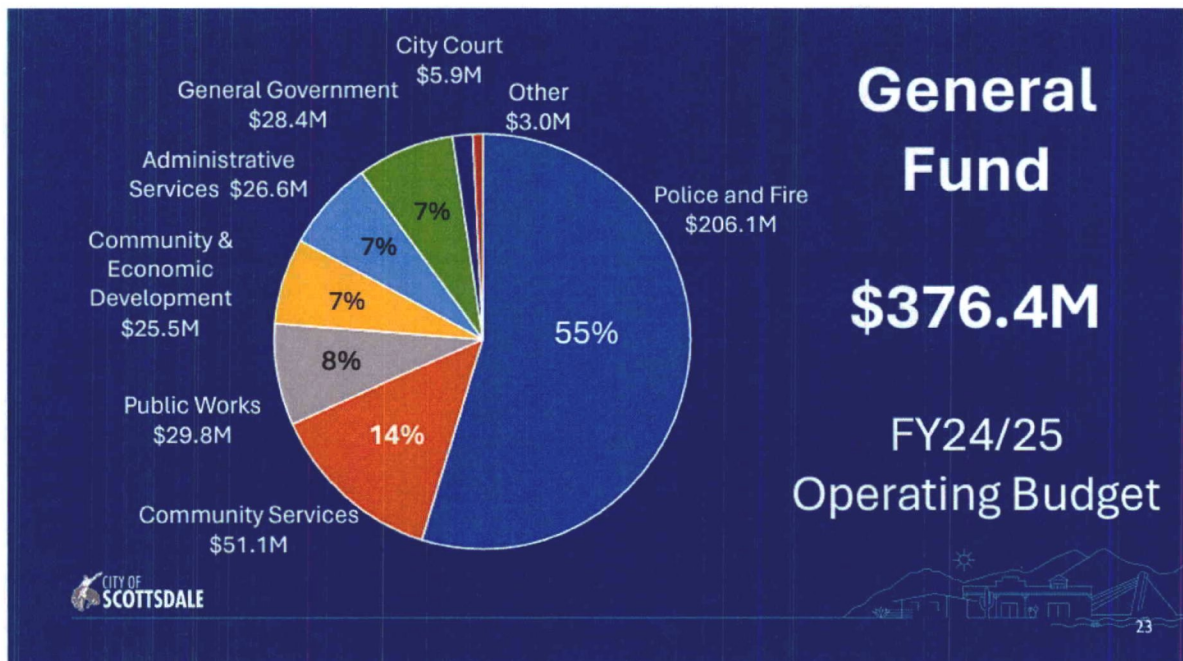
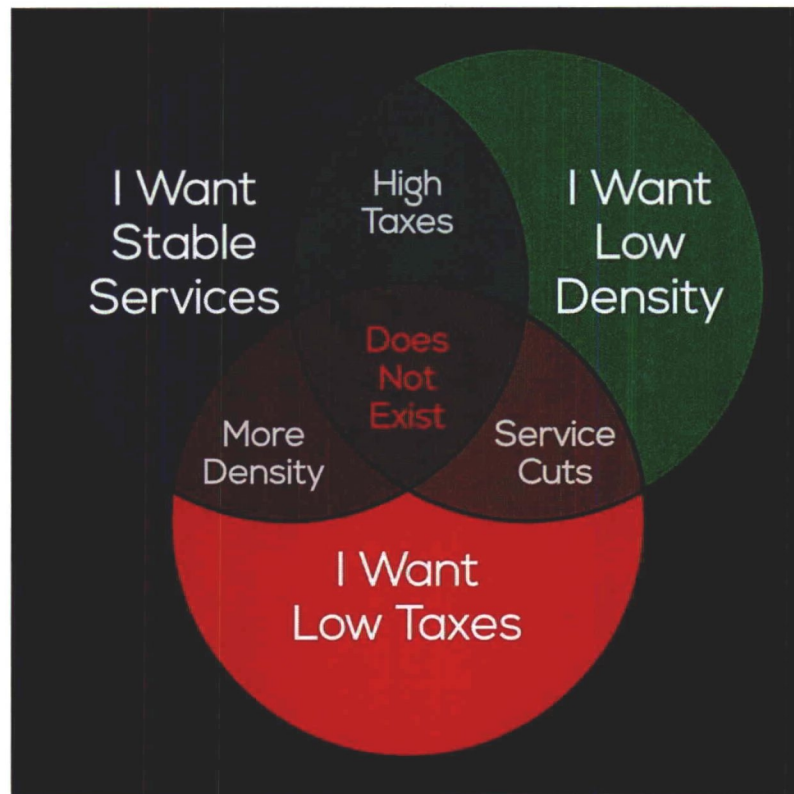


Other Operating Funds

	FY 23/24 Adopted Budget	FY 24/25 Proposed Budget	% Change
Transportation Fund	\$31.6M	\$32.2M	1.9%
Tourism Fund	\$22.0M	\$21.9M	-0.5%
Special Revenue Fund	\$12.3M	\$15.5M	26.0%

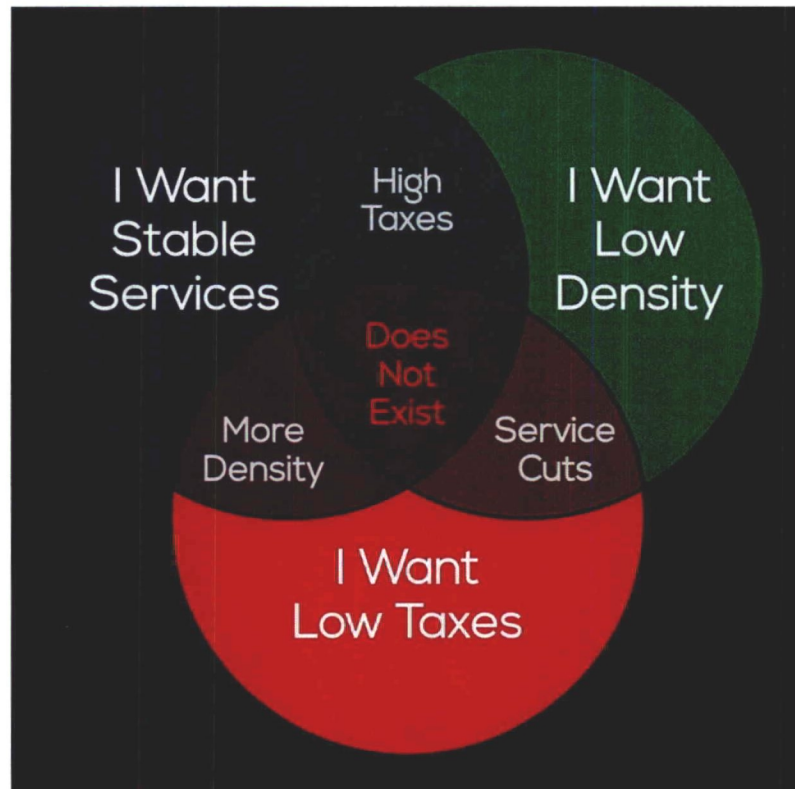


Public
Comment



Other Operating Funds

	FY 23/24 Adopted Budget	FY 24/25 Proposed Budget	% Change
Transportation Fund	\$31.6M	\$32.2M	1.9%
Tourism Fund	\$22.0M	\$21.9M	-0.5%
Special Revenue Fund	\$12.3M	\$15.5M	26.0%



FY 2024/25 Property Tax Levy and Rate

City Council Meeting
June 25, 2024



2-Step Process for Property Tax Adoption Required by State Law

June 4

Public Hearing and Presentation

June 25

Adoption of Property Tax Levies



Proposed FY24/25 Property Tax Rates and Levy (rates per \$100 of assessed value)

		Rate	Levy
Primary	General Fund and Tort Claims	0.4958	\$39.64M
Secondary	Voter Approved Bonds	0.4358	\$34.84M
Total Combined		0.9316	\$74.48M

Change in Combined Property Tax Rate (rates per \$100 of tax assessed value)

	Current	Proposed	% Change
Primary	0.5150	0.4958	-3.7%
Secondary (voter approved bonds)	0.4664	0.4358	-6.6%
Total Combined	0.9814	0.9316	-5.1%

Maximum Combined Rate Allowed by City Policy 1.5000

Impact on Median Scottsdale Residential Property

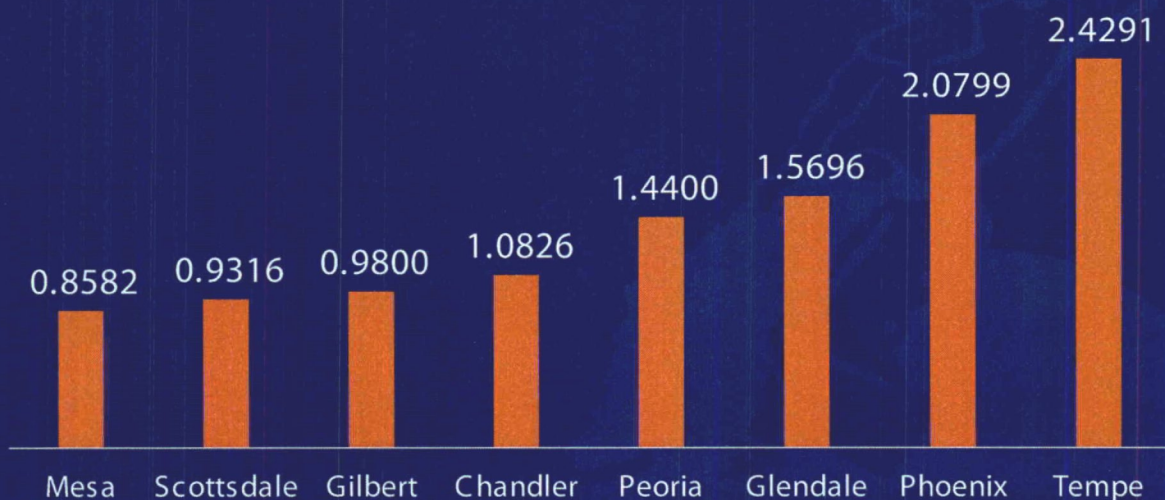
	Current FY23/24	Proposed FY24/25	% Change
Median Limited Property Value	\$378,679	\$397,613	5.0%
Property Taxes:			
School/Education	1,497.64		
County	456.80		
City (primary & secondary)	371.64	370.42	-0.3%
Special Districts	260.27		
Total Property Tax Bill	\$2,585.63		



Note: Proposed FY24/25 property tax rates for other taxing districts currently unavailable.

5

Proposed FY24/25 Property Tax Rates (city portion)



Note: Property assessed values for each city vary widely which affect property taxes paid. Property tax rate shown for Mesa represents 2023 secondary rate as the 2024 rate is currently unavailable.

6

ACTION

- **ADOPT ORDINANCE NO.4640**
assessing the FY 2024/25 primary and secondary property tax levies and fixing the primary and secondary property tax rates.

Item 26

FISCAL YEAR 2024/25 MUNICIPAL STREETLIGHT IMPROVEMENT DISTRICT PROPERTY TAX LEVY

City Council Meeting
June 25, 2024



1

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

June 04 Public Hearing and Presentation

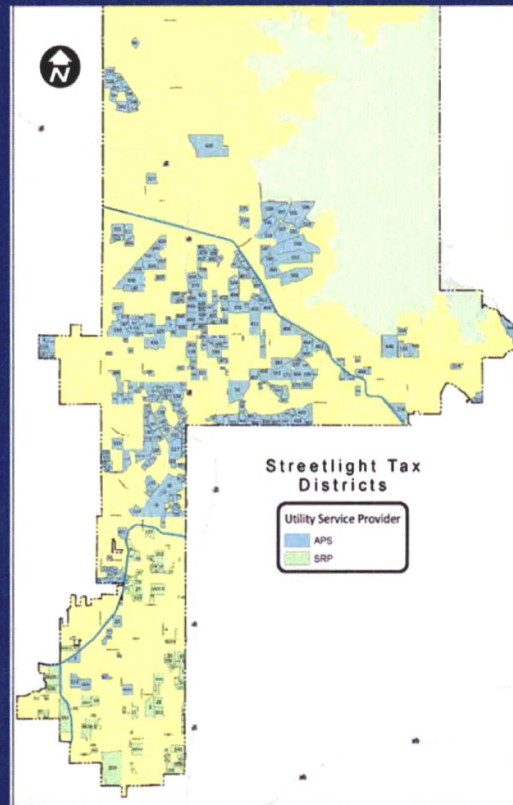
June 25 Adoption of Property Tax Levies



2

- FY 2024/25
Proposed Expense
and Tax Levy
\$603,124

Average \$17.75 per Lot



3

ACTION

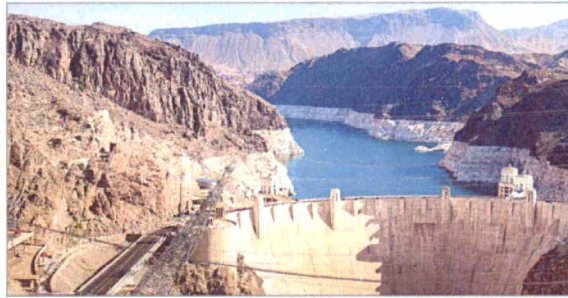
- **ADOPT ORDINANCE NO. 4641** assessing the FY 2024/25 Streetlight Improvement District property tax levy by district in accordance with Arizona Revised Statutes and City Charter.



4

Work Study 1

Scottsdale Water Colorado River Shortage Update

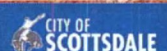


Scottsdale Council Work Study Session
June 25th, 2024



Agenda

- System and current conditions - Colorado River
- Post 2026 guideline development
- Lower Basin Proposal and implications



Current Conditions

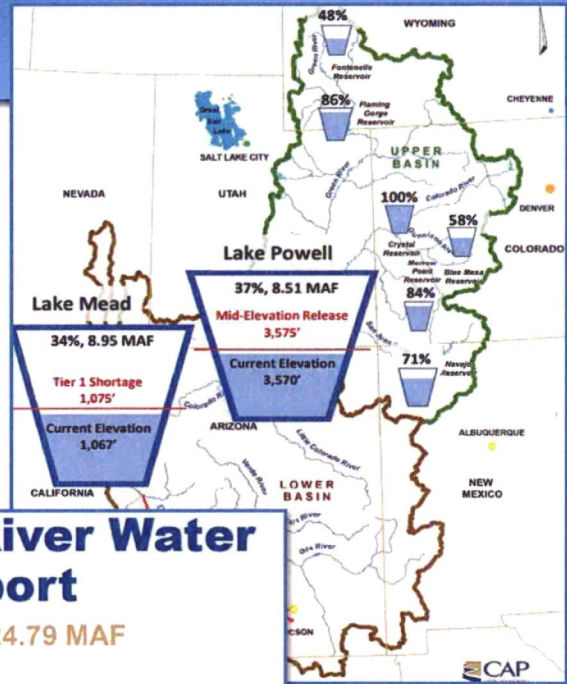
Total system content is approximately 43% of total system capacity

Colorado River Water Supply Report

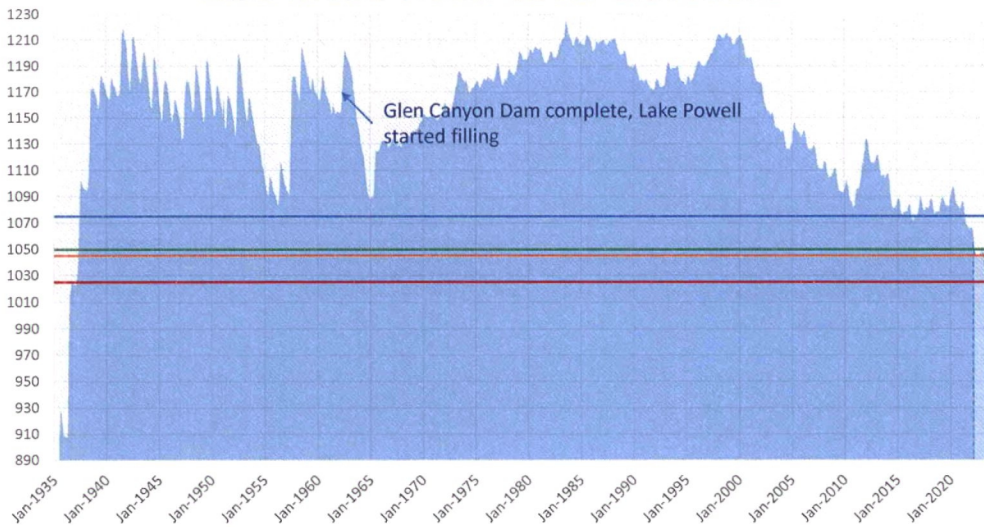
System Contents: 24.79 MAF

As of June 2, 2024

Last Year System Contents: 23.54 MAF



Lake Mead Water Level Elevations

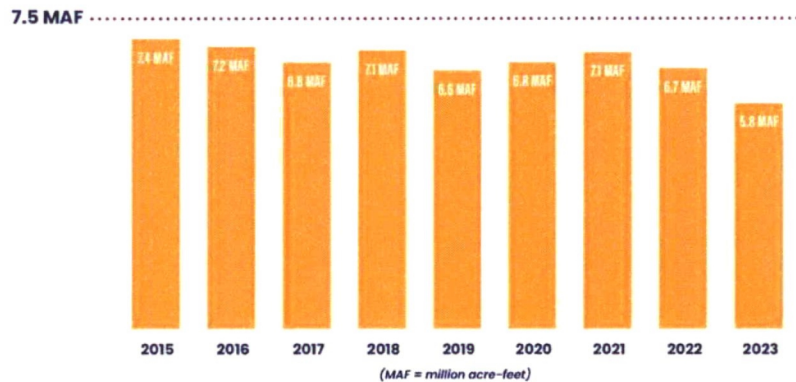


Contributing Factors

- 20+ years of dry conditions
- Warming climate and aridification
- Structural deficit and overallocation

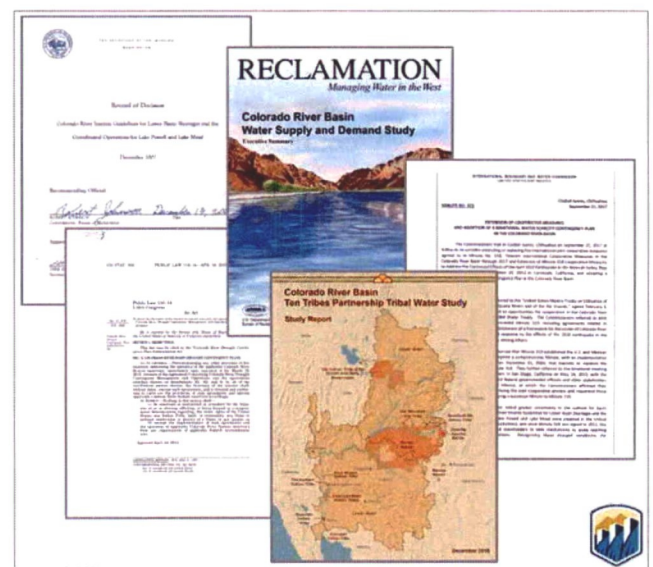
Currently operating below allocation

Lower Basin States' mainstem Colorado River use has been consistently below their apportionment over the past decade



Lower Basin Shortage Plans

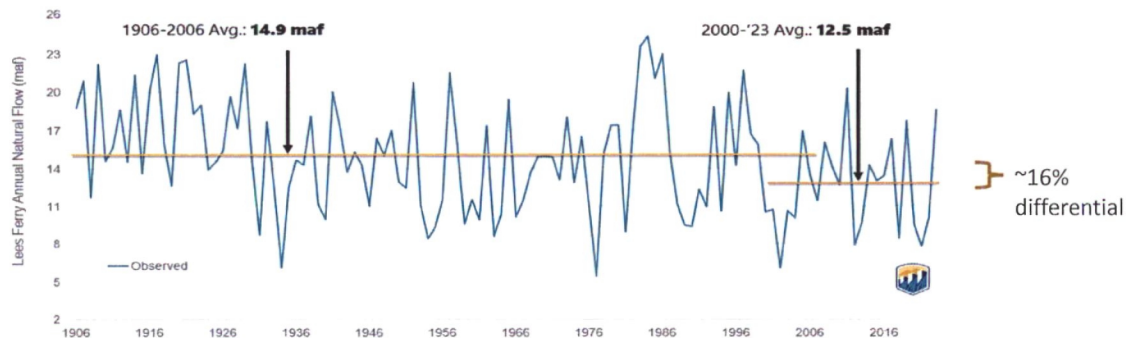
- 2007 Interim Guidelines
- Colorado River Basin Water Supply and Demand Study (2012)
- 2019 Lower Basin Drought Contingency Plan
- 2021 500 + Plan
- 2023-2026 Lower Basin additional system conservation of 3 million acre-feet



Post 2026 Colorado River Reservoir Operations -

2007 Interim Guidelines have not sufficiently reduced risk

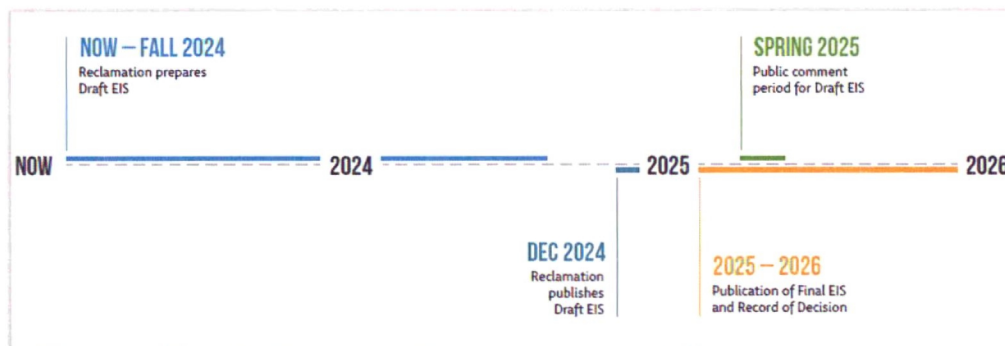
“Based on operational experience since 2007, the current guidelines are not robust enough.... More robust and adaptive guidelines are needed for the efficient and sustainable management of the major mainstream Colorado River reservoirs and system resources.”¹



¹Scoping report for Post-2026 Colorado River Reservoir Operations

Guidelines that have been in place for operating the Colorado River since 2007 expire at the end of 2026

- Bureau of Reclamation began the process for establishing post-2026 guidelines in June 2023
- Environmental Impact Statement (EIS) under the National Environmental Policy Act (NEPA) process
- Analysis of a proposed federal action and alternatives submitted by the external stakeholders
- Culminates in a Final EIS with responses to comments and a Record of Decision



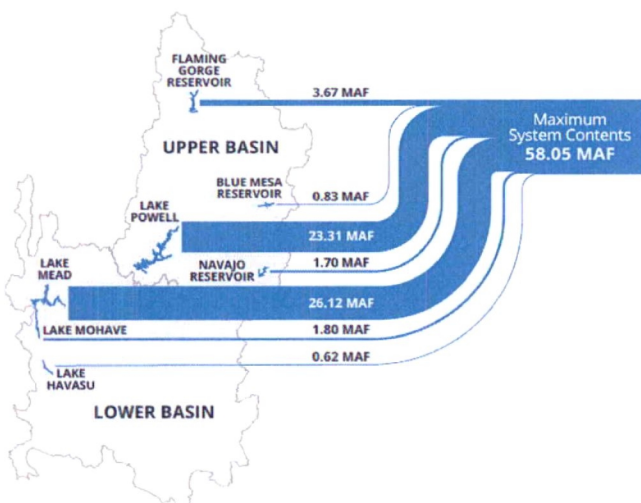
THE LOWER BASIN STATES' ALTERNATIVE FOR POST-2026 COLORADO RIVER OPERATIONS

- Reclamation selected a wide range of future hydrologies to explore system alternatives.
- The hydrologies cover a wide range of minimum and maximum flow that extend beyond the historical records.
- The Lower basin Alternative was drafted collaboratively by Arizona, California and Nevada.
- Address the structural deficit.
- Sharing the risks and benefits of the system within and between the basins.

LOWER BASIN ALTERNATIVE REDUCTION DETERMINATION

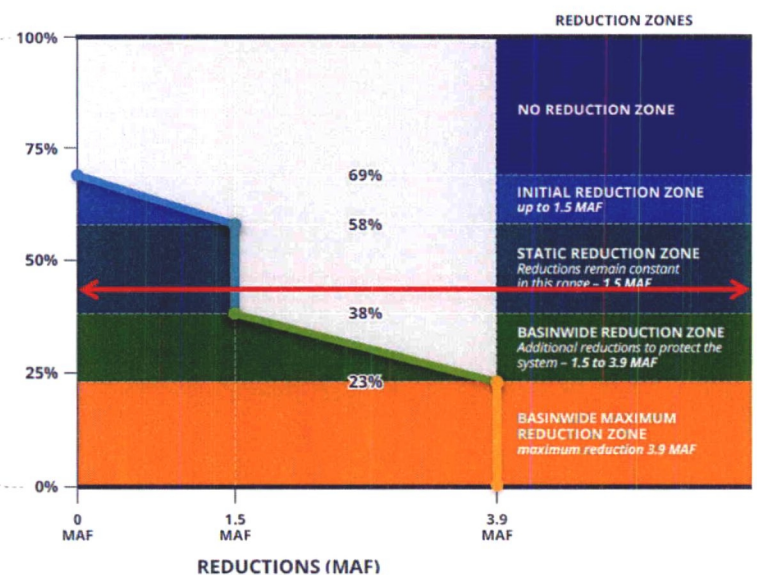
MAXIMUM SYSTEM CONTENTS

System contents are based on the volume in each reservoir that is available for release, in millions of acre-feet (MAF)



REDUCTION DETERMINATION

Reductions are based on the available system contents, based on the function below

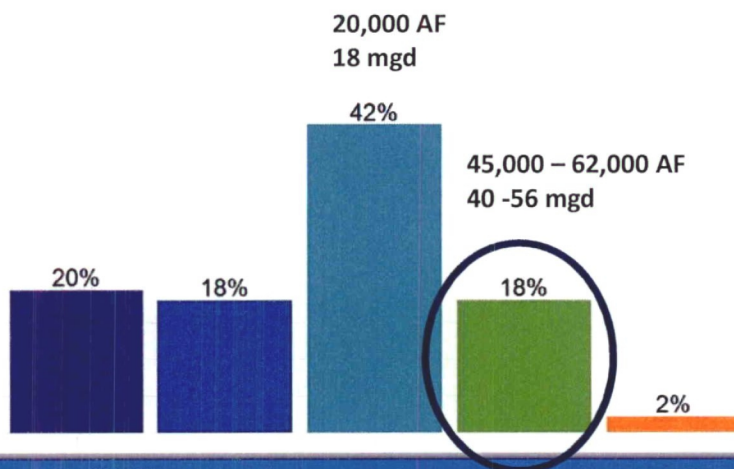


CAP Water Shortage Tiers and Scottsdale's Corresponding Shortage Stages

CAP Water Shortage Tiers	TIER ZERO	TIER 1	TIER 2A	TIER 2B	TIER 3	PROJECT LEVEL
Lake Mead Elevation (in feet)	1,090	1,075	1,050	1,045	1,025	<1,025
Corresponding City Water Shortage Stage	Stage Zero Shortage Preparation	Stage 1 Minimum Shortage	Stage 1 Minimum Shortage	Stage 2 Moderate Shortage	Stage 3 Severe Shortage	Stage 4 Critical Shortage
Potential City Water Supply Reduction (MGD)	0	2.0	3.0	6.5	13.5	24
Potential City Water Supply Reduction (AF/year)	0	2,300	3,400	7,300	15,200	26,900
Approximate percent reduction to Scottsdale's CAP Supply ^(a)	0	3%	4%	9%	18%	33%

CMIP5 LOCA KNN

- No Reduction Zone
- Initial Reduction Zone
- Static Reduction Zone
- Basin-wide Reduction Zone
- Basin-wide Maximum Reduction Zone



- 20% of the time = no reduction
- 18% of the time up to 25% reduction
- 42% of the time 25%
- 18% of the time 50 – 75% reduction (estimated)
- 2% of the time 100% reduction



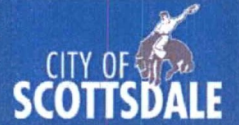
Scottsdale's ongoing and Continual Response

- Operate under our Drought Management Plan
- Expanded conservation and messaging
- Expanding our AMI network
- WaterSmart portal
- HOA Program
- Commercial Audits
- Sustainable Water Management Principles – CH4

Scottsdale Water Strategic Plan Update

2025-2030

THANK YOU





STRATEGIC PLAN 2025-2030

City Council
June 25, 2024

STRATEGIC PLAN PREPARATION

1. EMC Research – Community Survey
2. Effective Utility Management (EUM) Process
3. Key Drivers for Prioritization and Implementation

EMC RESEARCH – COMMUNITY SURVEY

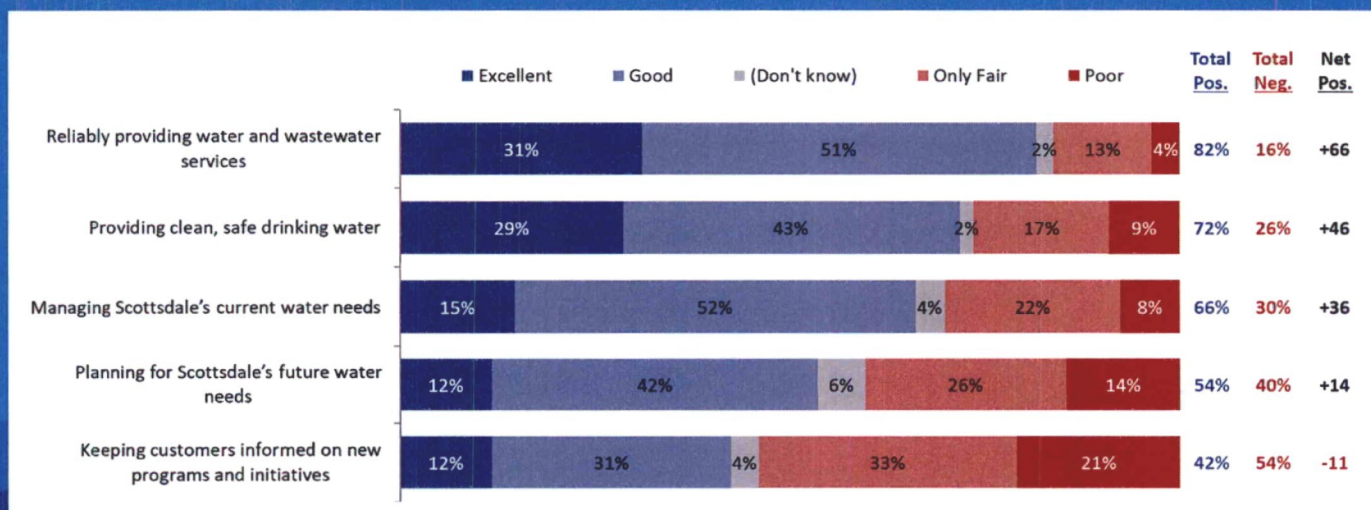
- Determine baseline for where we are today
- To understand resident perceptions
- Identify opportunities to engage with residents



3

Perceptions of Scottsdale Water

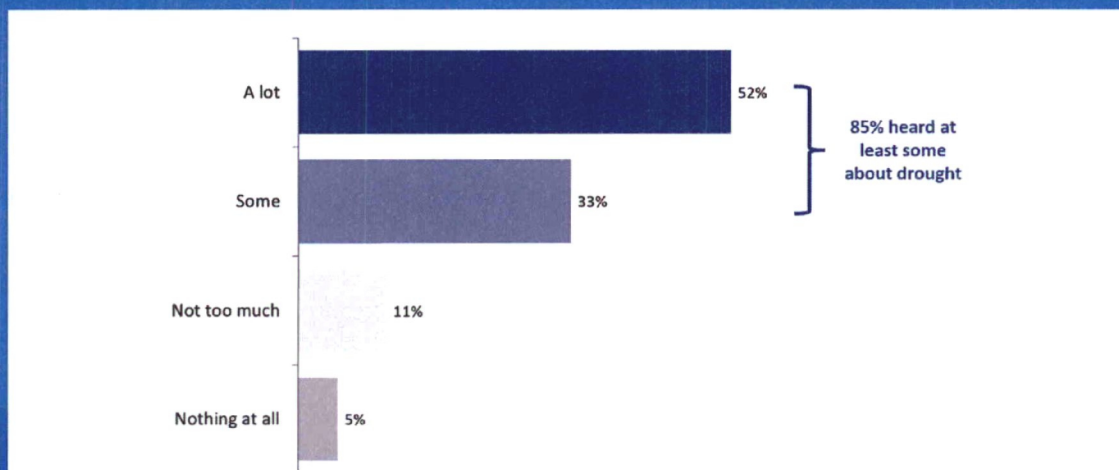
Residents rate Scottsdale Water positively on the essential functions of providing water services and clean drinking water but give lower marks for keeping customers informed.



Q4-9. Using a scale of excellent, good, only fair, or poor, please rate the job Scottsdale Water, the City's water department, is doing on each of the following.

Drought Awareness

A vast majority of respondents are aware of drought in Arizona and the Colorado River basin.



Q28. Moving on to another topic, before taking this survey, how much, if anything, had you heard or seen recently about drought in Arizona and in the Colorado River basin?

Water Supply Forced Choice

Two-thirds of Scottsdale residents believe that water shortages are a real threat to their way of life. Only around a third believe concern about water shortages is overblown.

Statement A: The lack of adequate water supplies in our area is a very real threat to our way of life. We may simply not have enough water for everyone in Scottsdale in the future.

Statement B: The lack of adequate water supplies for our area is overblown. Scottsdale Water will do what they need to do to make sure we will always have the water we need.

**Statement A:
Real Threat
66%**

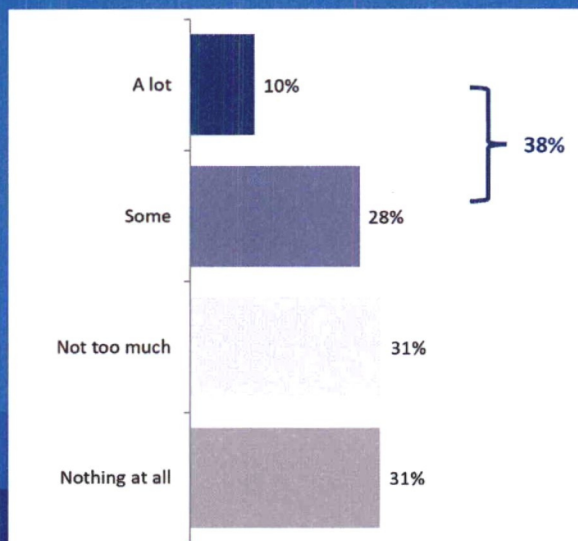
**Statement B:
Overblown
31%**

**(Both)/(Neither)
3%**

**(Don't know)
0%**

Recycled Water Awareness

Just under four-in-ten Scottsdale residents have heard some or a lot regarding recycled water or water reuse. Among those who have heard, over a quarter recall hearing something non-specific about recycling or reuse efforts.



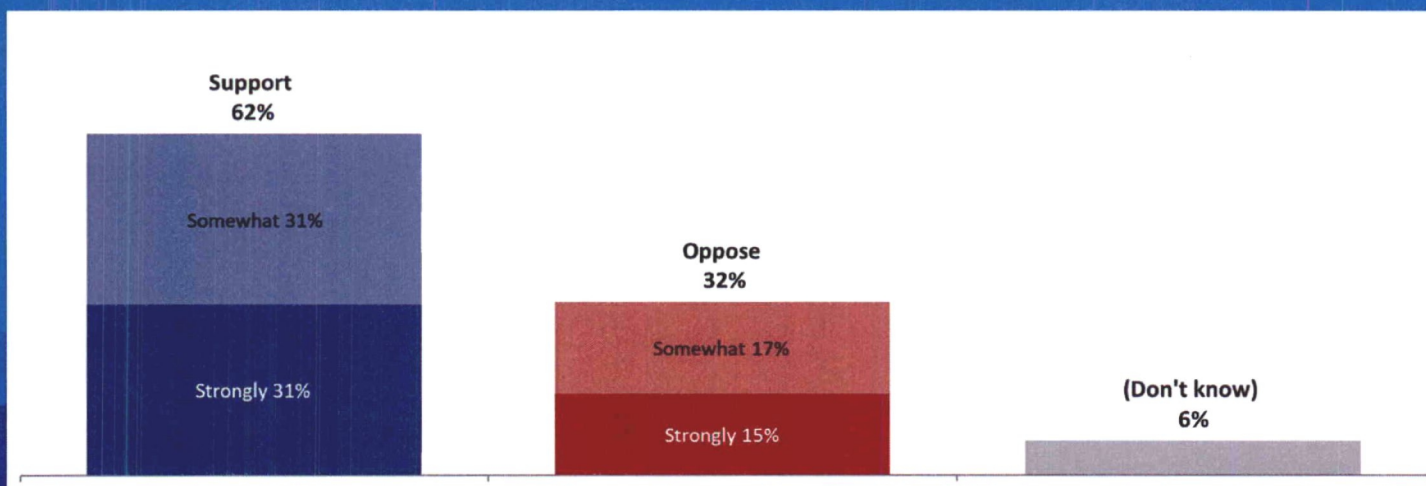
What have you heard or seen?	%
Recycling Efforts/Reclamation/Reuse	28%
News/Articles/Discussions	22%
Outdoor Usage/Irrigation/Golf	12%
Wastewater/Sewage/Water Treatment	8%
General Positive/Effective/Good Idea	8%
Conservation/Reduce/Water Shortage	3%
Non-Potable/Graywater/Not Safe for Drinking	3%
Purification/Clean/Drinking Water/Tap	2%
Other	7%
None/Don't know/No opinion	6%

Q17/18. How much, if anything, have you heard or seen recently about recycled water or water reuse? Have you heard a lot, some, not too much, or nothing at all?

Initial Support for Direct Potable Reuse (DPR)

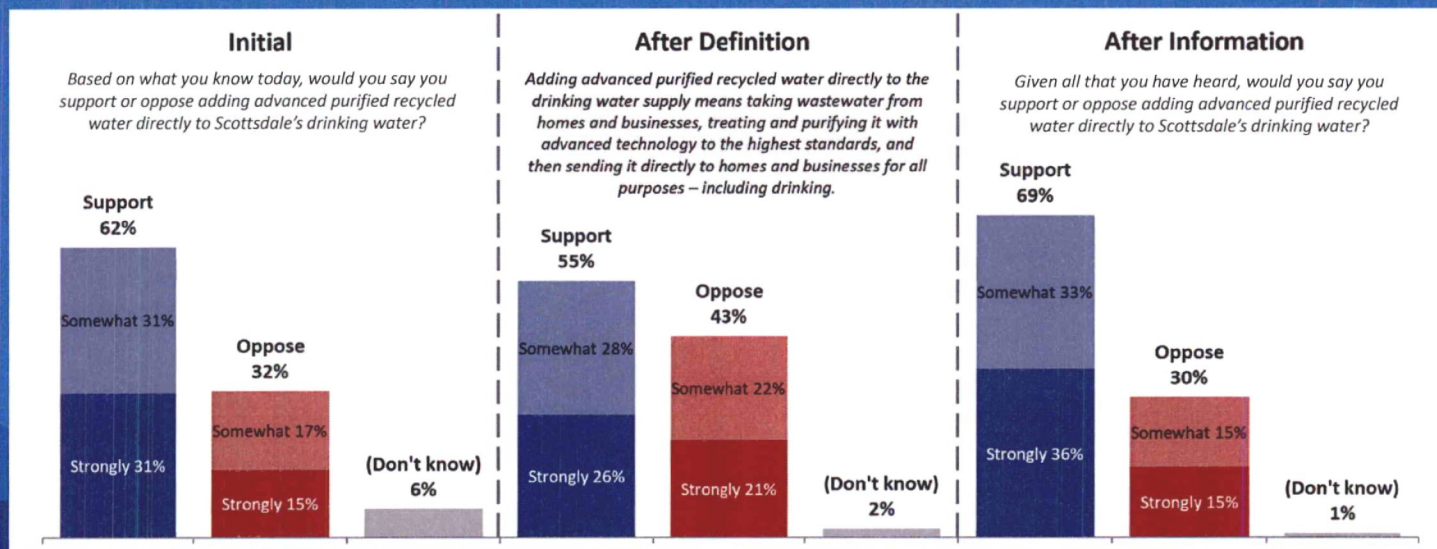
A majority of Scottsdale residents support adding advanced purified recycled water to Scottsdale's drinking water supply.

Based on what you know today, would you say you support or oppose adding advanced purified recycled water directly to Scottsdale's drinking water supply?



Support for DPR After Information

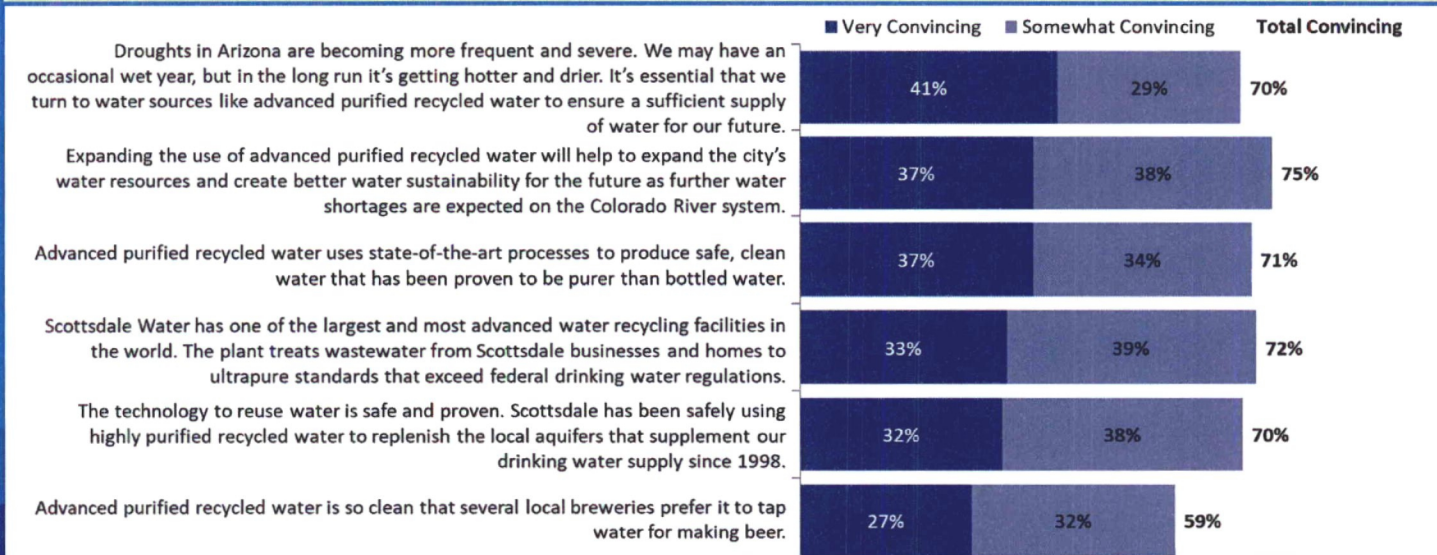
Support for adding advanced purified recycled water directly to Scottsdale's drinking water supply rises to over two-thirds after additional information on safety and need.



Q19/20/27. Given all that you've heard, would you say you support or oppose adding advanced purified recycled water directly to Scottsdale's drinking water supply?

Additional Information

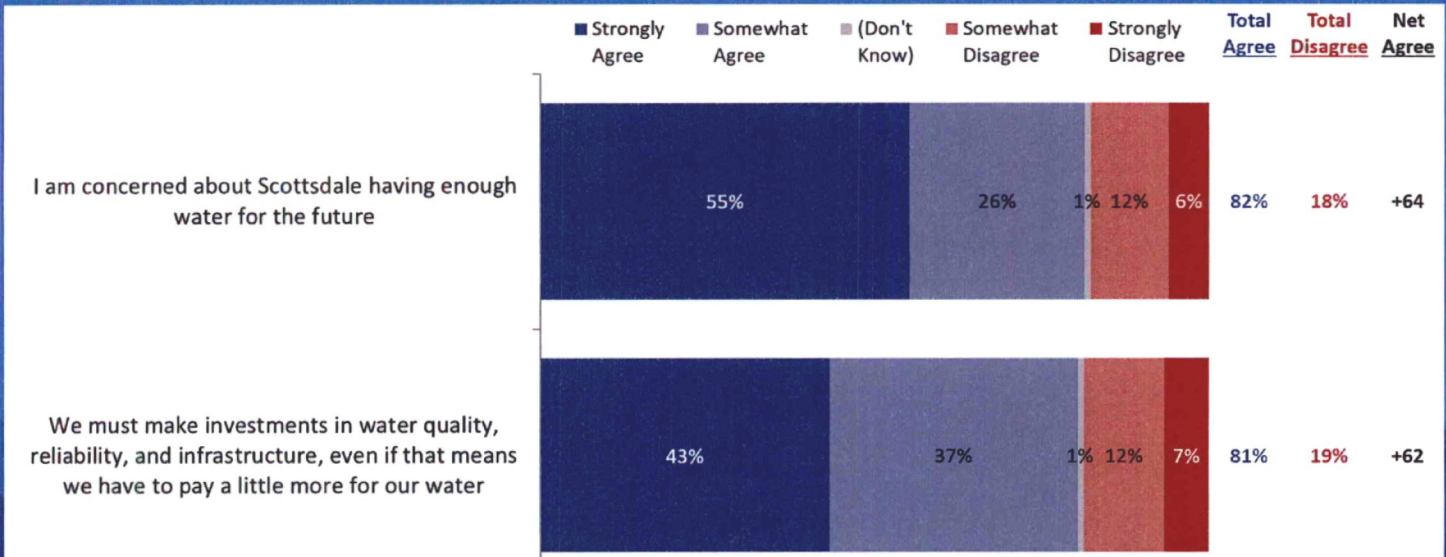
Residents are most convinced by information emphasizing the severity of droughts and the need for alternative sources of water in Scottsdale. Information on the purity and safety of advanced purified recycled water is also compelling.



Q21-26. Now I would like to read you some additional information about advanced purified recycled water. After each statement, please tell me how convincing that statement is as a reason to support adding advanced purified recycled water directly to Scottsdale's drinking water supply.

Conservation Attitudes

Most residents are concerned about having enough water for the future and agree it's worth it to pay more for water to invest in reliability and quality.



Q10-16. Please tell me whether you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with each of the following statements.

Conclusions

- ▶ Most residents feel Scottsdale Water is doing a good job at its core responsibilities.
- ▶ Awareness of Scottsdale Water and our programs needs to improve.
- ▶ Scottsdale residents understand the gravity of the region's water supply situation and are aware that actions need to be taken to ensure there's enough water to meet future demand.

Conclusions

- ▶ Strong majority of Scottsdale residents are concerned about having enough water in the future (82%).
- ▶ Support for the use of advanced purified recycled water is strong.
- ▶ Strong majority of Scottsdale residents acknowledge the need to make investments in water quality, reliability, and infrastructure even if that means paying more for water (81%).



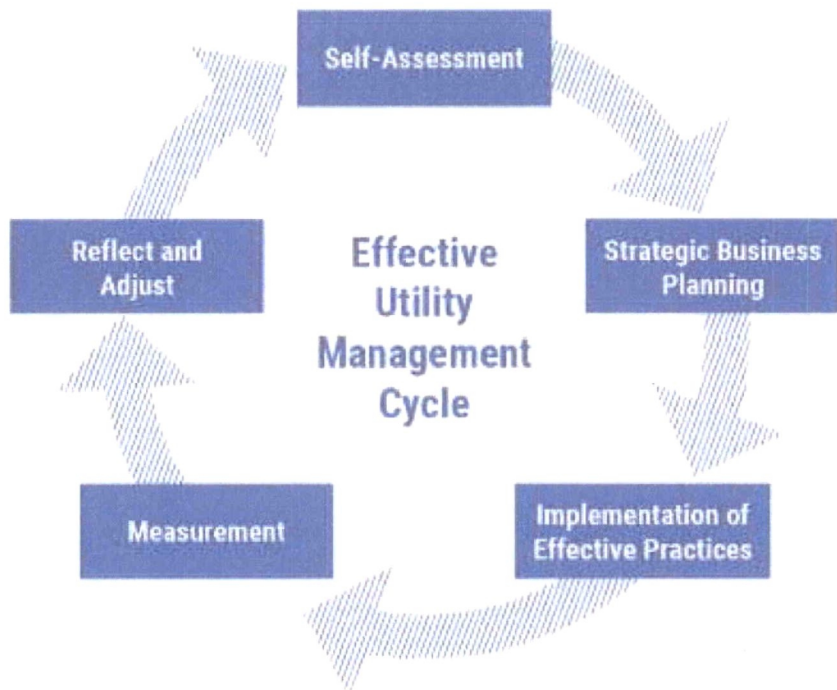
STRATEGIC PLAN



Effective Utility Management

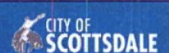
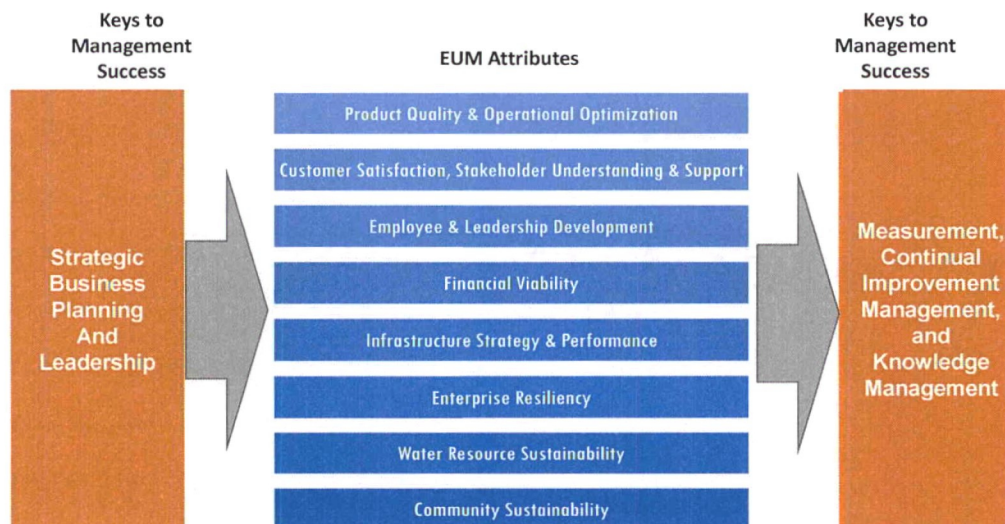
5 Keys to Management Success that maximize resources and improve performance:

- Leadership
- Strategic Business Planning
- Knowledge Management
- Measurement
- Continual Improvement Management



15

Effective Utility Management



VISION

WATER SUSTAINABILITY THROUGH

**STEWARDSHIP
INNOVATION
AND PEOPLE**



MISSION

**PROVIDE SIMPLY BETTER
SUSTAINABLE WATER SERVICES
FOR A WORLD CLASS COMMUNITY**

17

VALUES



18

WORLD-CLASS WATER STANDARDS

Scottsdale Water used the 10 attributes of
an effectively managed utility
to ensure a balanced focus
on all important operational areas



19

WORLD-CLASS WATER STANDARDS

- Product Quality
 - ▶ Meet and exceed all water quality standards.
 - ▶ Monitor and prepare for all future regulatory requirements.
- Customer Satisfaction
 - ▶ Ensure timely and accurate billing statements.
 - ▶ Respond to after-hours emergency water calls in less than 90 minutes.



20

WORLD-CLASS WATER STANDARDS

- Employee and Leadership Development
 - ▶ Attract, hire and retain best in class employees.
 - ▶ Require and provide a minimum of 25 hours of annual training and professional development hours for each employee.
- Financial Viability
 - ▶ Retain a balanced budget by proactively managing operating expenses.
 - ▶ Utilize a strategy of annual incremental rate increases to meet long-term revenue requirements to avoid acute rate hikes and ensure predictable rates for our customers.

WORLD-CLASS WATER STANDARDS

- Enterprise Resiliency
 - ▶ Provide an active emergency management program that includes annual operation exercises.
 - ▶ Reduce our carbon footprint and increase our power source redundancy through increased utilization of alternative energy sources.
- Infrastructure Strategy and Performance
 - ▶ Update the Integrated Water Resource Master Plan every five years.
 - ▶ Develop and maintain an asset management system that maximizes the life cycle and value of capital assets.

WORLD-CLASS WATER STANDARDS

- Water Resource Sustainability
 - ▶ Manage an assured water supply as designated by the State of Arizona.
 - ▶ Cultivate a proactive and innovative conservation program.
- Operational Optimization
 - ▶ Minimize cyber security risks for SCADA and technology systems through the implementation of active security measures and programs.
 - ▶ Maintain non-revenue water below 7 percent.

WORLD-CLASS WATER STANDARDS

- Stakeholder Understanding and Support
 - ▶ Conduct at least one Citizens Academy per year.
 - ▶ Champion an active presence in local, regional, and national water advocacy and professional organizations.
- Community Sustainability
 - ▶ Emphasize conservation through the rate structures and maintain financial assistance programs so that rates are affordable for all customers.
 - ▶ Maintain a municipal utility assistance program.



LAKE MEAD

STRATEGIC INITIATIVES

STRATEGIC INITIATIVES

- 1 Implement Advanced Purified Recycled Water (direct potable reuse) system wide by 2027.



Significant reduction in Scottsdale's Colorado River water allotment when the Colorado River's drought response principles change in 2027.



The need for Advanced Purified Recycled Water is critical to maintaining Scottsdale's drinking water supply for our customers.



Scottsdale Water's legacy of being an innovator in water recycling places the city in a unique position to leverage our existing Advanced Water Treatment facility at the Scottsdale Water Campus to implement Advanced Purified Recycled Water.

STRATEGIC INITIATIVES

2 Increase system-wide well recovery capabilities by 5 million gallons per day by 2029.



Drought continues to be a concern and the risk of significant cuts in CAP water becomes a reality



The need to access the hundreds of thousands of acre-feet of stored water in our aquifers.



Scottsdale Water will continue to work for long-term aquifer stability but needs the ability to access groundwater in larger volumes to supplement short-term reductions in surface water.

STRATEGIC INITIATIVES

3 Fully Implement system-wide Automated Meter Infrastructure (AMI) Technology by 2030.



Scottsdale Water fully implement Automated Meter Reading (AMR) technology and created a real-time customer interface per Strategic Plan 2019 – 2024.



45% of our customers lack access to same day information on water use available with Automated Meter Infrastructure (AMI) technology.



Systemwide AMI technology by 2030 will ensure customers have sufficient information to proactively monitor and reduce water usage.

STRATEGIC INITIATIVES

4 Pursue additional future water resources and wastewater volume that can be reclaimed and reused.



Scottsdale needs to pursue new sources to ensure a long-term and sustainable water supply.



These sources include, but are not limited to, SRP's new Bartlett Dam expansion and the City of Phoenix regional APRW facility.



Scottsdale Water will be actively involved in these discussions and will propose investments in these resources when possible and prudent for the City's long-term prosperity.

STRATEGIC INITIATIVES

5 Expand capacity to move water north from SRP service area by 8 MGD by 2030.



Scottsdale currently has water available in the SRP service area that can be used "off project" or outside this area.



The City needs more ability to move this water north to fully utilize it.



With eight million gallons a day of additional capacity, Scottsdale Water can move up to 20,000 acre-feet of water per year from the SRP service area north into areas traditional using CAP water.

Long Term Water Solutions

Drought Deficit	New Water Initiatives	Volumes
20,000 Acre-ft ¹	Scottsdale APRW	5,000 Acre-ft
	Bartlett Dam Expansion	5,000 Acre-ft
	Harquahala INA	3,900 Acre-ft ²
	Phoenix APRW	6,000 Acre-ft
	TOTAL	19,900 Acre-ft

1: Lower Basin States proposed static zone cuts to Scottsdale's CAP supply

2: Short-term addition – already accounted for in Assured Water supply

QUESTIONS