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CALL TO ORDER

[Time: 00:00:03]

Mayor Borowsky: Good afternoon. I would like to call the, let's see, what day is it? October 20, 2026, City Council Regular Meeting and Work Study Session to order. City Clerk, Ben Lane, may we please have a roll call?

City Clerk Ben Lane: Thank you, Mayor. Mayor Lisa Borowsky.

Mayor Borowsky: Present.

Ben Lane: Vice Mayor Maryann McAllen.

Vice Mayor McAllen:

Ben Lane: Councilmembers Jan Dubauskas.

Councilwoman Dubauskas: Here.

Ben Lane: Barry Graham.

Councilman Graham: Here.

Ben Lane: Councilmember Adam Kwasman.

Councilman Kwasman: Here.

Ben Lane: Kathy Littlefield.

Councilwoman Littlefield: Here.

Ben Lane: And Solange Whitehead.

Councilwoman Whitehead: Here.

Ben Lane: City Manager Greg Caton.

City Manager Greg Caton: Here.

Ben Lane: City Attorney Luis Santaella.

City Attorney Luis Santaella: Present.

Ben Lane: City Treasurer Sonia Andrews.

City Treasurer Sonia Andrews: Here.

Ben Lane: Acting City Auditor Lai Cluff.

Acting City Auditor Lai Cluff: Here.

Ben Lane: And the Clerk is present. Thank you, Mayor.

Mayor Borowsky: Thank you very much. This evening we have Scottsdale Police Officers Ortiz, Shollack and Savage, as well as Scottsdale Firefighters Nadrise Robinson and Logan Darling. If anyone requires their assistance, please let a member of our staff know.

PLEDGE OF ALLEGIANCE

For the Pledge of Allegiance, I would like to call upon the Vice Mayor, MaryAnn McAllen.

Vice Mayor McAllen: I pledge allegiance to the flag of the United States of America, and to the Republic for which it stands: One nation under God, indivisible, with liberty and justice for all.

Mayor Borowsky: Thank you.

INVOCATION

[Time: 00:01:32]

And for the invocation, I'm delighted to have Pastor Ryan Goble here from Scottsdale Bible and Ryan, thank you for being here. We really appreciate it and I will let you take it away.

Scottsdale Bible Church Pastor Ryan Goble: As always, thank you for having me.

Mayor Borowsky: Thank you.

Pastor Ryan Goble: Will you pray with me? Almighty God, we come before you in this chamber this evening. Is this on? We come before you in this chamber this evening, grateful for the ability to exercise freedom of speech, freedom of thought and freedom, lord God to debate and to care for the city in which we live. Lord, we love Scottsdale. You love Scottsdale. But we fight for the good of this place, and for our neighbors.

Lord, there is so much to be said about unity and kindness and gentleness and truth, lord God. Will you put truth on our lips, gentleness in our hearts and unity on our minds. We ask this in Jesus Christ our lord, amen.

Mayor Borowsky: Amen. Thank you so much Pastor Goble for being here. All right. Lots to report today.

MAYOR'S REPORT

[Time: 00:02:37]

So as many of you may know, it is our wonderful, Councilwoman Littlefield's last term. She's termed out. And today is a special day because it's her birthday which means it's the last birthday she's going to spend on this dais, right? We have some special treats for you. There's some flowers.

Councilwoman Littlefield: Thank you so much.

Mayor Borowsky: You have to share these, the Crumble Cookies. And I will call upon our own theater major, Councilman Kwasman to lead us in the song to celebrate.

Mayor Borowsky: I can't forget the card. We really appreciate you and all of your years of service.

Councilwoman Littlefield: Oh, my goodness. Look at all of this.

[Time: 00:03:58]

Mayor Borowsky: Wonderful. Moving right along, I mentioned a couple of our fine Scottsdale Police officers here that are present with us. I had the real thrill of attending the Scottsdale Police Foundation Gala over the weekend, and many of our officers were there. I know Councilwoman Whitehead and Councilwoman McAllen were both there. Lots of officers, our K-9 officers, I think that's what they're called. So that was a wonderful event, put on by the board of the Scottsdale Police Foundation. So thank you for having us. The foundation and keep up the good work. All right.

Moving on, October is Breast Cancer Awareness Month, and I want to make take a moment to recognize the women and families in our community who have been touched by this terrible disease. We stand with those undergoing treatment, celebrate our survivors and honor those we have lost. Please take care of yourself and talk with your healthcare provider, of course, to obtain the appropriate screenings and we will be presenting a proclamation to the breast cancer awareness folks. Not today, but this month.

All right, and before we move on to our regularly scheduled meeting, I would like to take a moment to recognize the recent graduates I see one right there of the Scottsdale Water Citizens Academy. And they are joining us here at City Hall. Water is, of course, one of the most important issues facing Scottsdale and our entire state and understanding how we manage and protect this critical resource is important to the future of our community. Scottsdale Water Citizens Academy, if you haven't taken that, I would encourage you to look at doing so, gives residents an opportunity to learn more about our community's water system and the work that goes into providing safe, reliable water in Scottsdale to residents and businesses. To our graduates, thank you so much for participating and becoming more informed and the engagement you show is very impressive. And thank you to our water our Water staff for putting this wonderful program on and teaching lots of people what really goes on with water in Scottsdale.

So, with that, I would like to invite the graduates who is from the Citizens Water Academy? Why don't you come up and we will all take a photo together if we are so inclined here on the dais. Thanks.

Mayor Borowsky: All right. That concludes the Mayor's Report. Lots of exciting things going on in the city of late.

PRESENTATION/INFORMATION UPDATES

Next, we will have a presentation from the Scottsdale Artist School and for that I will turn it over to Kevin Burke. I think you are joining us for this, Economic Development and Tourism Senior Director and Trudy Hays, Scottsdale Artist School Executive Director. Welcome and I appreciate it.

[Time: 00:08:33]

Economic Development and Tourism Senior Director Kevin Burke: Thank you, Mayor. We may have a bit of a miscommunication. I don't see Ms. Hays in the audience yet. She is here. We were staring at the back of people's heads trying to find you. Thank you.

Mayor and members of the Council, it's my pleasure to introduce Trudy Hays, Executive Director of the Scottsdale Artist School for presentation tonight. Thank you.

Councilman Kwasman: Madam Mayor, before we start, can we just see if the sound is really, it is bad.

Mayor Borowsky: It sounds good.

Scottsdale Artist School Executive Director Trudy Hays: Sounds good. Well, good afternoon, Mayor Borowsky, members of City Council and esteemed guests, I'm Trudy Hays, the Executive Director of Scottsdale Artist School and I want to thank you for the opportunity to share who we are, how we serve the community, and how your support makes this work possible. Okay. I'm pressing.

Here we go. Okay, we're a nonprofit fine arts school at the corner of Second Street and Marshall Way in Old Town Scottsdale. We're in our 43rd year. We lease our beautiful building from the city of Scottsdale. Built in 1928, as Scottsdale Grammar School number two, and later known as Loloma Elementary School. It's one of the full Spanish colonial revival buildings left and we're on the city's historic registry. We moved into this building 33 years ago. So, thank you for renewing our lease and helping this historic school continue to serve the community.

As a fine arts school, we offer workshops and classes in drawing, painting and sculpture which include a variety of mediums, acrylics, watercolor, wash, and water and oil-based clay. Subject matter includes portrait, figure, landscape, still life, animals and abstract. Our adult workshops or mostly 4 or 5 day intensive, taught by nationally and internationally acclaimed artists. Our studio programs offer classes taught by professional artists and we also offer a selection of online classes. All together, we offer over 225 adult workshops and classes annually. I've had instructors that have traveled all over the world and said there's no place quite like us in the world.

Our youth and teen programs serve ages 6 to 18, with approximately 7 to 800 young adults attending each year. During the school year, the youth and teen classes are in the evenings and on Saturdays, and in the summer, the kiddos take over the majority of the school and we do week-long summer camps. We offer scholarships for both youth and adult programs. They are need and or merit-based. We want anyone with a passion for art to have an opportunity to an opportunity to attend regardless of any financial barriers.

In addition, we offer weekly art history lectures by art historian Ann Connor. I'm not on the right one. I'm sorry. There we go. In addition, we offer weekly art history lectures by art historian Ann Connor. Participants can attend in person or view online. We also offer open studio, 2 to 3 times a week. You

don't need to be enrolled in a class. We set up a model, easels and artists play a small fee and they can bring their supplies, and they can draw, paint or sculpt a model. It's also a chance for artists to connect and exchange ideas and be a part of Scottsdale Artist School's creative community.

Approximately 50% of our workshop students come from out-of-state and some come from out-of-country. These students travel specifically to attend Scottsdale Artists School. Students come as far away as France, England, Kuwait, Australia, Belgium, China and Japan and more. Their space support hotels, restaurants and shopping, and we encourage them to explore local galleries and museums.

We partner with the Courtyard by Marriott in Old Town Scottsdale and spend more than $70,000 annually on instructor lodging alone. Students stays add further business. It slightly exceeds well over $120,000 according to our estimate. We partner with local restaurant, Arcadia Farms, to offer concierge lunches. Through this partnership students and instructors order and pay for their lunch directly from the school, with delivery coordinated for the noon break. This partnership generates more than $34,000 in revenue for the restaurant each year.

[Time: 00:14:19]

We also encourage visits to Western Spirit Scottsdale's Museum of the West, the galleries on Main Street, Scottsdale's Museum of Contemporary Art and the Scottsdale Center for Performing Arts. These relationships help our students experience Scottsdale and support neighboring businesses and organizations.

In addition to what we do at the school, an important part of our mission is what we do for the community. Our programs bring art into public spaces and partner organizations, reaching people who may not otherwise attend a class at the school. We provide free programming at the different branches of the Scottsdale public libraries for both youth and adults. We also partner with Scottsdale Arts, Western Spirits Scottsdale Museum of the West, the Scottsdale Unified School District, the Arizona State Fair, and the branches of the local Boys and Girls Club. We do over 100 outreach programs every year.

We work with Ability 360 to offer programs for youth and adults with visible and invisible disabilities. We have also provided programming with Hospice of the Valley Dementia Care Campus, CASS, The Muscular Dystrophy Association and many more. These partnerships help us offer classes designed for individuals of all abilities and bring meaningful creative experiences to people facing barriers to participation.

We also partner with the city of Scottsdale. So many of you have seen Sonora the Horse traveling to the different Scottsdale events celebrating the city's 75th anniversary. That project came through Scottsdale Artist School in partnership with the city. Alongside Sonora we offer free make and take activities at community celebrations, such as the Pony Express, the Parada Del Sol, Founder’s Day, Scottsdazzle and more. And we also participate in Scottsdale Arts Family Festival with free arts programming. These experiences give residents and visitors a chance to create together and to participate in the city's cultural life.

We participate with our sister cities, such as Carins, Australia; Haikou; China, and Marrakesh, Morocco, as an example. There used to be a sale at the Mexican consulate in Phoenix. We began hosting their exhibition and sale at the school with 100% of any funds raised going directly to the artist. We also hosted two free community workshops, including clay brought up from the Alamos River. In Kenya, Kennedy Kibbeth, who is the head of the arts department visited Scottsdale before the pandemic. He was so inspired by Scottsdale Artist School that he established Eldoret Artists School. That's the name of his city and he did it in honor of Scottsdale Artists School. He established it and he started with one room. We tried to send over supplies, but we were unable due to the shutdown due to the pandemic. He did come back and visited our school and participated in open studio. We were able to send him home with instructional DVDs, art books and all kinds of art supplies and we were able to raise money to buy his school a screen and a projector and now they have two rooms. Our local programs director and one of our instructors also traveled to Eldoret to teach workshops so we can truly say our reach is global.

So, thank you, Mayor Borowsky, the members of City Council for supporting Scottsdale Artists School and for renewing our lease. Your partnerships allows us to remain a point of learning and serving artists, families and our broader community. We believe that working together raises us all up. So, thank you for allowing us to continue to teach, create and inspire.

Mayor Borowsky: Thank you, Trudy. Excellent job and thank you for doing such great work over there. It's a wonderful asset for the community. And Councilwoman Dubauskas would like to say something.

[Time: 00:19:06]

Councilwoman Dubauskas: Thank you. Trudy, I just wanted to say, we had such a wonderful time when we conducted our visit at the Artists School and I just thought that your work is so wide reaching, it was my request to have you come here tonight to share with the city how much you're affecting our day-to-day life. I don't think a lot of residents quite really realize it and you did a wonderful job showcasing your impact on the community. Thank you so much for coming. We appreciate you.

Mayor Borowsky: Vice Mayor McAllen.

Vice Mayor McAllen: Thank you Mayor. I was also going to say thank you Trudy as a member of sister cities, I attended some of the events that went around your artist in residence from Kenya and it's truly global reaching and life changing. So, thank you for all you do.

Mayor Borowsky: Thank you. All right. Moving on, we have, I have an announcement. The Arizona Superior Court and Supreme Court appoint fill appointments on our Judicial Appointments Advisory Board. And otherwise known as JAAB, J-A-A-B, and by announcing the selections, the Supreme Court's appointment is Judge Aryeh Schwartz. I'm not sure if these individuals are present. If so, please indicate you are. To serve on a three-year term beginning October 1, 2026 and ending September 30, 2029 pursuant to Administrative Order Number 2026-098.

And secondly, the Arizona Supreme Court's appointment is Judge Monica Edelstein, and she is going or is a member of JAAB effective October 1, '26, serving a three-year term to conclude September 30, 2029. And so, we welcome these judges to JAAB and look forward to working with them.

EXECUTIVE SESSION

Tonight, the Council may make a motion to recess into an Executive Session, if the need arises to obtain legal advice on any applicable item on the agenda and authored by the Council, it would be held immediately and not open to the public. However, the regular open meeting would resume immediately following that. All right.

MEETING MINUTES

[Time: 00:21:48]

Meeting Minutes and approvals, I will entertain a motion to approve Meeting Minutes of Special Meeting September 22, 2026, and that's all we got. Just one. That was easy.

Councilwoman Littlefield: So moved.

Councilwoman Whitehead: Second.

City Clerk Ben Lane: Mayor, I apologize, there were two sets of Minutes, there was Regular Meeting and Work Study Session Minutes of September 22nd.

Mayor Borowsky: Regular Meeting and Work Study Session minutes of September 22, 2026, thank you Councilwoman Littlefield, go ahead and indicate your vote. All right. Next, we move on to the Consent Agenda.

CONSENT AGENDA

We have items number 1 through 20. Do members of the Council have any questions on any of the Consent Agenda items or wish to pull any of those? I do, myself, want to I think I want to have a little discussion about item number 8. And that's regarding GLO abandonment. Councilman Graham.

Councilman Graham: Mayor, I don't want to pull an item, but for item number, I just had it, 5, I would like the applicant to just maybe tell us spend 30 seconds and tell us about, it but I would like to keep it on Consent.

Mayor Borowsky: Which item, number 5.

Councilman Graham: Number five, it's the Select Education conditional use permit.

Mayor Borowsky: Okay, why don't we reserve that. Should we have it before the vote?

Councilman Graham: Yeah, yeah we could.

Mayor Borowsky: Okay. So, let's go ahead and have that individual come up. Please. There are no public speakers on the Consent Agenda item for the record.

CONSENT AGENDA - ITEM 5

[Time: 00:23:54]

Applicant Krista Cross: Hello. My name is Krista Cross, and it is my privilege to hopefully get approval. And let you know that opening soon we have a micro-school beginning called Select Education. It's in north Scottsdale, 92nd and East Happy Valley. And we truly believe that the best type of education at this time is giving each child what they need in education and for the families as well. Because everyone's lives are different, going different directions and we've had great success.

I have been a teacher in Arizona for over 30 years, and I am the proud recipient of the Milken Family National Educator Award, and we have done great things with many children, and we hope to do that at our micro school, again, pending approval. So, we are hopefully opening soon and we just want to let people know that we're there and we're really trying to keep our numbers under 40 so we can give everyone exactly what they need in the classroom and give those families support in north Scottsdale where we're a little limited in education for 6-year-olds through sixth grade. So just wanted to introduce ourselves again and say thank you very much for your support over this last year almost that we have been planning this.

Mayor Borowsky: Thank you. Thank you. We appreciate it.

Councilman Graham: Mayor, thank you. I just wanted to thank the applicant for speaking to us and I wish them the best in their new campus.

Mayor Borowsky: Absolutely. Thank you so much. Okay. And then on item number 8, well, we'll wait for that. Let's go ahead and I will entertain a motion. We don't have any speakers. To approve, I think it's 1 through 20 with the exception of item number 8.

Councilwoman Littlefield: So moved.

Councilwoman Whitehead: Second.

Mayor Borowsky: All right, please indicate your vote. Thank you.

ITEM 8

[Time: 00:26:11]

Item number 8 and I don't show oh, Jeff Barnes, Principal Planner I see right there. The reason I asked to have this pulled isn't necessarily to impact this particular item number 8, which is a GLO abandonment requiring a payment from the applicant in the amount of $49,744. And looking into this, I've learned so GLO stands for government land office patent easement. The city of Scottsdale has had an easement on or for but doesn't own. So, when people move to abandon those, when they buy a lot that have the perimeter and I understand the city actually maintains and Jeff, you will clear this up if any of this is incorrect, hopefully. And the city has an obligation to maintain the GLO easements until abandoned. And the concern I have on this is we are the only city in Maricopa County or any unincorporated area in the state that actually charges our residents and business owners for the abandonment of a GLO easement. And looking back at some historical data it seems like there's been some ebbs and flows as to how the city calculates that.

And we don't have to talk about this right now, but I would look to have this put on a future agenda for discussion just for consideration if we you know if this is something we really want to keep doing or if there's an opportunity to follow suit with those cities and every other area in Maricopa County that abandons them in exchange for not having to pay to take care of them anymore. Can you explain just a little bit about this particular one and just generally the GLO easement abandonment?

Principal Planner Jeff Barnes: Certainly, Mayor Borowsky, would you like me to run through a presentation about this proposal or did you…

Mayor Borowsky: Not necessarily. Just general, 40,000-foot level GLO, unless you think it's critical. I don't think it is for the discussion. Should I say yes, Luis.

City Attorney Luis Santaella: Yes, Mayor, you should because it’s not...

Mayor Borowsky: Well, yes, apply the general rules to this particular issue, item number 8, yes, please

Jeff Barnes: Thank you for the clarification. So good evening, Mayor Borowsky, Vice Mayor McAllen, members of the City Council, I'm Jeff Barnes of the city's Planning Department. I will give you the brief version of presentation on the abandonment case, AB-003-2026, which just for context, this application is a proposal to abandon GLO easements within the development project site with the ultimate goal of there being a new 14-lot single family residential subdivision at this 17-and-a-half-acre development site.

I will skip ahead on some of this to some visuals. We can come back to those key points if necessary, but so this is located northwest corner of Dixileta and Scottsdale Road. The black outline, the bolded line there represents the overall development site, the 17.5 acres which is made up of currently 7 squarish parcels that fall within that.

Those, some of those parcels have these GLO easements on them from their origination and maybe addressing a little bit of sort of that back story, when larger parcels were established in this area and others throughout the city, and beyond, they were done through through federal patent action which basically created large rectangular parcels and reserved an easement around the perimeters of those to ensure roadway and utility access in the future, not knowing what would happen with those parcels what they were created. As the city has developed and established transportation master plans and local area infrastructure plans, and a much more defined path for where where street alignments go, where utility corridors are needed, they don't always align with the original rectangular configuration of those GLO easements. And so those are the ones that we typically see in applications like this, that are requested for abandonment.

And so that is the city holds right-of-way interest in various forms. There are other easement types beyond just these GLOs and so the process laid out for abandonment of those in the in the city code is this process for GLOs and the like. In this particular instance, and maybe I will skip ahead to sorry to the development plan for the subdivision that's proposed, associated to this application, those seven individual lots would be combined together and put into a 14-lot subdivision with an internal street. This is rotated to the side where north is to the right of your screen. But an internal street to provide access and utility corridors out to the adjacent existing remaining right-of-ways. And so, in the context of this, the GLO alignment, that sort of sideways T that was on the previous plan is no longer needed with the with the layout that would be achieved with this.

[Time: 00:32:59]

As as you touched on Mayor initially and as it has been part of our process in reviewing these GLO abandonment applications and abandonment applications and easements and the like, the city does have a valuation policy. It's been updated over time. The latest iteration as it applies to this scenario establishes a policy value of $1 per square foot valuation to the area to be abandoned and that's how the number in this application was arrived at. There are some other scenarios in in that policy document that may drive different different outcomes based on what's being proposed in the and the impacts of it. I'm not sure if that covers all of the questions that you had.

Mayor Borowsky: I do have a question. Is this a combination between right-of-way easements and GLO easements abandonment?

Jeff Barnes: Mayor, in this particular application these are all GLO easements within the site. The right-of-way around the perimeter of the site is either existing or the conditions of the abandonment resolution require the applicant to dedicate the additional pieces that we have identified per the transportation master plan.

Mayor Borowsky: Okay. But just to be clear, GLO is not the same as right-of-way legally? Easement?

Jeff Barnes: I may I may look to our city attorney from a legal standpoint; there are a variety of versions

of rights of way from that.

[Time: 00:34:54]

Luis Santaella: So, Mayor and members of the City Council, the purpose of GLO easements is to provide access to land and properties, right? So, it is a form of transportation easement in a way. And they were established, I think right after World War I, to help veterans gain access to their land. And in terms of the question you asked earlier, Mayor, about why we charge, it's probably because of our city charter. As you know, the Arizona Constitution has a gift clause prohibition, but we have a stronger prohibition in our city charter about giving things away. So, we probably, at some point and I will have to do the research, determined that the charter requires us to charge. That's probably why we do it unlike other cities who don't have similar charter provisions.

Mayor Borowsky: Okay. I would be in favor of looking at that. That's all I have, Jeff, thanks. I really appreciate it.

All right. I will make a motion to approve item number 8 and that is do we have the language up here? Oh, this we go. Adopt Resolution number 13772 authorizing the GLO abandonment, AB-0003-2026.

Vice Mayor McAllen: I will second that motion. Thanks.

Mayor Borowsky: All right. All those in favor, please indicate your vote. Thank you. All right.

PUBLIC COMMENT

[Time: 00:36:34]

Public comment announcement. This is the time reserved for public comment and I know we have and this is for property owners, business owners, Scottsdale citizens to comment on non-agendized items. And you get to go early tonight. This is good. No official Council action can be taken on these items and speakers are limited to three minutes a piece. We have three speakers. First, we have Raoul Zubia, followed by Frederick oh, Work Study. Yes, these were non-agendized. Thank you. Thank you for pointing that out. Okay. You're later. Sorry, you will have to wait. Okay. So, no public comment. That's a first, I think. Is that a first? Non-agendized public comment, does anyone want to talk? Wow! I now close that public comment.

CITIZEN PETITION

So, moving on to we have a petition, receipt of Citizen Petition number 21 regarding the washes at oh, it's been withdrawn. So, forget that. Peeling them off. Work study session.

WORK STUDY SESSION – ITEM 1

[Time: 00:37:56]

Next, we have Work Study Session and this provides a less formal setting for the Mayor and the Council to discuss specific topics at length with each other and the city staff. Work Study Sessions provide an opportunity for staff to receive direction from Council to observe these discussions.

And both of which I move to put on the agenda, these Work Study Sessions tonight, and with the support of my colleagues, appreciate that we are hearing from both groups, both presentations tonight. So first, we have present and future discussion on Scottsdale Water. We have Thyra Ryden-Diaz and Jill Brumand will present an overview of Scottsdale Water anddiscuss the water conservation incentives and explore potential partnerships for rebate funding through SRP and and Central Arizona Project. So please proceed.

Interim Senior Director Water Resources Thyra Ryden-Diaz: Good evening, honorable members, I'm Thyra Ryden-Diaz, and I'm the Interim Senior Director Water Resources and I'm here with Jill Brumand our Water Policy Manager and with Eric McLeskey from Carollo Engineers to present tonight. The scope of the presentation follows the description in tonight's Work Study agenda that you just read. We'll hit all of those points this evening and the next 40 slides. Maybe you want to stretch for a minute because it's gonna be a lot and a lot of information. So anyway, on with the show. Next slide.

I will start with the source and supply update. That's kind of what everyone has been talking about. We will start out with that first. Then I'm going to continue to a strategic plan update. And Jill will come up. It's making our program a little bit long by combining the two. We will get it done in one night. I will come back up for Harquahala and Bartlett Dam expansion update and then we'll have Eric McLeskey the water source and supply solutions. So, on the Carollo Engineers, we worked all summer on collaboratively on a whole bunch of items for you to review to provide Scottsdale Water the resiliency and operational flexibility we need. And then I will close the night out with our last steps, which isn't on the slide. So next slide.

This is our Scottsdale five spoke approach. So, demand management, that's our conservation piece. Our cooperative investment in the Harquahala, emerging water solutions that Carollo will present tonight, our participation in the Bartlett Dam expansion and advanced water purification, which is pure water. All of these spokes work together to reduce our Colorado River dependence, secure our today and sustain our tomorrow. As we move through the information tonight, we will keep the perspective on the range of options with the projected yields, costs and timelines. Next slide.

So, starting with the source and supply update. Next slide. Scottsdale's water portfolio, the current designation with the assured water supply with the state is 141,341.74-acre feet. We like to keep those significant figures moving forward through the Arizona Department of Water Resources. Our modified designation is currently with the department for the upcoming next year ten-year term and we're waiting like everyone else to get that final designation. So, keep that 141,341 in your in your brain for

the next slide. Which is our 2025 water deliveries.

So, our total potable water delivered, so your drinking water was 82,600-acre feet in 2025 and our total water delivered, including reclaimed was 90,800-acre feet. Sometimes those numbers get confused because we distribute some water that we reuse. So, our actual water need is that 82,600-acre feet. The pie chart kind of shows our different water sources, our CAP, our SRP water, our surface water and the reclaimed, which is the water that we have pulled back and treated and distributed it back out mostly to golf courses and the groundwater pumping that we do, operationally and also part of our superfund sites. So, if you subtract that 141,000 number that you have in your head from the previous slide, and the 82,000 number here, we have about 58,000-acre feet of water kind of that's in reserve that we don't have to use every year. Next slide.

So, this slide shows our this is actually different than your slides you saw earlier this week, when they were posted online. We corrected it today. This shows your 20 to 21, 2021 to 2025 water deliveries by supply type. Our deliveries have been fairly consistent in this time period. With the mix changing a little bit based open accounting for operational needs. That kind of changed a little bit year to year. A couple of things to note, our population from '21 to 2025 increased slightly but our water deliveries decreased but they are pretty consistent for that period of time, regardless of the population. Also, notice at that time blue CAP water deliveries declined a little bit, that's the piece on the bottom, that bright blue and that's the difference in what we either saved at our water campus or restored or that we used to participate in regional conservation space. So that conservation space is contributing to leaving extra water in the dams just to bolster up our whole Colorado River system. Next slide.

[Time: 00:44:50]

So, a little background on the Colorado River and our CAP rights. You've had plenty of a bunch of memos on this. This has been in the press, but I thought it was good to come back and kind of mention it for everybody's benefit. Scottsdale has rights to 81,271-acre feet. Our water rates are governed by a stacked priority system; shortage and drought reductions occur to those with junior priority and Lake Mead water elevation. Arizona is junior among states and CAP is junior within Arizona. Next slide.

So, our 2027 potential water cuts. If the lower basin proposal is signed, we have calculated based on our municipal and industrial supplies or M&I and our Indian priority water we known that we will face a 17% cut to our CAP supplies. With our 81,271-acre feet allocation, that 17% reductions in the blue you our potential CAP supply is at 67 or 65 on the left. Our CAP deliveries in 2025 were 63,941-acre feet. So, the 17% cut for this next year does not impact our current operational distribution. Next slide.

Strategic plan update. So, one of our mottos in our strategic plan I found it to write it down earlier. Oh, I missed it. It's stewardship, innovation and people. So, before I start the strategic update, I want to give a shout out to our Water Resources team and our water academy. It was nice everyone showed up and the staffing update is requested in the work study agenda description. Yesterday we had five employees start their Scottsdale Water careers in various positions. Our current vacancy rate is under 5% right now. So, we're doing really great and that's great comparative to other cities. We did a lot of work last year

and adjusting positions and we're a really great place to work in Scottsdale Water. We are recruiting and retaining.

So, Scottsdale is very proud to grow in development our team members and we have employees dedicate their entire careers to Scottsdale Water. We have three employees in the audience tonight. We have a couple of plants here. We have Michael, Taylor and Rob. You can stand up. It's all good. Both Michael and Taylor started as apprentices and now they're supervisors at their plants. And Rob is their manager and he's been here for more than ten years. So, thank you for your service to Scottsdale Water. All right. All right. Next slide.

Strategic initiatives. There are five strategic initiatives that were approved in August of 2024. The first one was to implement advanced purified water, direct potable reuse on a system-wide basis in 2027. When plans get approved, sometimes there's changes as we go so we have had some ADEQ rule changes that we're working through that we have done a study on, but part of this strategic objective was to leverage our system and our knowledge and we have done that. We just completed a three-day training. Training all kinds of advanced water treatment operators in the state. They came out, trained on our facility. We're the only facility in the state that they can get their hours on. You see I have my Carollo people shaking their heads to train the operators we hosted the study session, and we had a 73% pass rate for all the operators. That's the first time they are taking a written exam. No one even knew what was on it. That was super great. We have 11 of those operators here that passed. So, they're sort of gold right now.

[Time: 00:49:22]

So so again, the timeline for AWT in 2024 did not anticipate in the drawn out ADEQ rather rule change or the additional capital and operating costs, when it was originally projected. So, and Carollo when they come up here, we have a couple of really great options for AWP that we will present that will all show the time cost and yield. The second was to increase the systemwide well recovery capabilities by 5 million gallons per day by 2029. We are well on our way. We are finishing them up and we will beat that number. Objective number three was to have the meter infrastructure, A.M.I. technology by 2030. We are 75% of the way complete and Jill will tell us how that goes and what that does and how that helps us. Next slide.

Number four was to pursue wastewater that could be reclaimed and reused. So Carollo will talk about this. I will cover the Bartlett Dam update, but they will talk about some additional ways that we can pursue and collect some of the water that they we would like to use in their source and supply options coming up. And it's the same with number five that will be covered in the Carollo portion and that's what I'm excited about. All right, next slide. And we welcome Jill Brumand, who is an ASU Fulbright Scholar, we like to brag about her to present the water conservation program update.

Mayor Borowsky: Thank you. Welcome Jill.

Scottsdale Water Policy Manager Jill Brumand: Good evening honorable Mayor, Vice Mayor and

members of the City Council. My name is Jill Brumand, I'm the Scottsdale Water Policy Manager. I'm excited to give the water conservation program update. Before I give my update, I wanted to give some context. Here we have our demand classification profile. So, on the left-hand side, this might look somewhat familiar. This is actually on page 9 of our drought plan. We've adjusted the coloring and oriented them the same so you can compare them across time more easily but this is the showcase of potable and non-potable supplies for how our customer uses that water so according to our deliveries where that water goes across our portfolio.

If you notice on the right-hand side, there are a few options now, categories that have hatching. So, on our the multifamily domestic, the yellow category and our commercial domestic, we have, as of 20222, reported to the Arizona Department of Water Resources separating out our irrigation only accounts. So, for those metrics if you want to compare apples to apples, you can sum those two categories. So for example, in 2019, it's separated with the hatching and the domestic. We will get into that there's more to that story, but just so you have some reference, the turf irrigation category, that kind of teal greenish sea foam color incorporates non-potable or grass irrigation. Other grass irrigation is incorporated into the commercial, multifamily and single-family categories. So, the reason why the single-family category isn't hatched is because for the most part, the single family is not separately metered.

[Time: 00:53:43]

So, driving right in. Our water smart portal. Scottsdale provides free access to Water Smart for all Scottsdale residents and businesses. This portal provides access for all of our customers and a call back to strategic initiative number three, we have 75% of are customers as mentioned have access to automated metering infrastructure and this is that in action. So, because we have that technology, we're able to provide to our residents real-time information about their water use. So, this portal is we have seen increases over the last year of 34% for reference 21% of our customer base accesses this portal. The portal provides water conservation tips information on finding leaks and provides leak alerts to proactively inform Scottsdale residents of a leak before it hits their bill. Our team also follows up with residents who reach out via the portal on any water questions they may have. So, if you can see that green line, that's the increasing registrations starting from quarter one of fiscal year '21 and those blue bars are customer requests that have come through the portal. So, if you are wondering about those that don't yet have you will hear about that shortly. For the leak detection component of the water portal, you can see on the right-hand side of the slide, a little bit. It's on an automated call for those who subscribe.

Something else that's exciting in the works, as mentioned outdoor water use is one of the driving factors of water use in Scottsdale and any water that's used outside is not a resource the city can recapture. So, to that point, it's incredibly challenging to estimate savings potential on a given property when we don't necessarily have insight into the plants that they are using. So, an exciting new initiative then the forethought that came also from the City Council we are working on a partnership opportunity with SRP.

You can see on the screen here. The Waterfluence portal, kind of a snapshot of what that looks like. It's

a tool to help manager those specific hatch categorized are commercial and understand their landscapes according to a water budget. So, it might be a little bit difficult to see, but there is a green band on that portal that would be what that landscape needs to thrive. Now on top of that, you can see that blue line, that's their actual water use. And so the goal of that partnership is to more closely align those two. So, we have the water budget, and then we have the corresponding water use that hopefully maps more closely to that. We are working on a campaign to reduce the outdoor last year. These are extremely important because as many of you know we may live and work and move around the Phoenix metro area. So, this is a great way to regionally collaborate with partners around the Phoenix metro area.

Additionally, you received a memo on October 17th to this effect. We are in conversations with Phoenix and with Tucson regarding the secure water Arizona program, or S.W.A.P. for short, that is essentially a voluntary framework that is looking at regional support that reacts to the changing conditions on the Colorado River and ensuring that we are staying kind of aware and engaged with partners on new water opportunities and to ensure that we are able to collaboratively partner with entities around the state so that we can all help each other out in kind of these changing times.

[Time: 00:58:36]

For our single-family residents, we have a few really great programs that I'm going to highlight here regarding outdoor water use. So, while we don't necessarily separately meter that usage, we do know according to residential end use studies and other regional work, that up to 70% of that water is used outside. So, when we're looking at our conservation programs, we want to ensure that we're addressing areas where there are savings opportunities. So, the outdoor water efficiency check program is a really exciting opportunity for residents to get personalized access to two of our specialized conservation staff. So, they will go out on site, and they will provide direct information on how to set an irrigation controller, how to read their water meter, information about plants on site, and we get about 23,000 gallons of savings on average for program participants. You can see on the slide the last three fiscal years of checks conducted, and the corresponding gallons that we have saved.

A newer pilot program that we have been working through with the conservation team is the on-site continuous flow check. So, I mentioned that the water smart portal has capabilities to provide updates and alerts to our residents but sometimes they are unable to find where that leak is coming from. So, this provides a service that helps support residents that are unable to find those leaks on their property, and it complements and extends service beyond the water smart portal capabilities. And this was piloted started in fiscal year '25. So, as you can see, those numbers have changed as the the we have been working through that pilot.

So, rebates or one of the most popular conservation findings and shown on the screen are four of our rebate offerings, highlighting these specific rebates per the request of the work study direction by Council. Our grass removal rebate is one of our most popular and consistently shows our most impressive savings. For the last two fiscal years, we have been able to take advantage of the water infrastructure and finance authority's water conservation grants to help bolster our rebate program above and beyond the budget of $550,000. So, you can see fiscal year '26's budget that incorporates

those WIFA funds. In addition to our outdoor rebates like our irrigation controller which is also shown on the slide for our fiscal year '26 numbers, we offer the smart home water monitoring device. So, for those who are waiting with bated breath for those residents that are currently waiting for our A.M.I. technology to be deployed, we do have a rebate of up to $100 for a device that will give them real-time information on their water use. So, if you are looking at that 25 number, be also aware that because we offer Water Smart for those would have access to that service, a lot of times the near real-time data that's posted every once every day with a the last day's hourly data is enough for our residents. But we do have options for those who would like to get that real-time data.

Our water management and efficiency technology rebate is the equivalent program for our commercial customers. And many of those who have participated in this rebate program have done so to install more efficient irrigation systems with real-time leak alerts. But this is also a program that helps support our submetering or HOAs or any commercial entity interested or for the entities that might have access to very large water-using devices like cooling towers. So, provide real-time leak alerts for these large users and this this pairs well with our other programs, HOA and commercial water efficiency assistance. So, our HOA program is very important. Scottsdale has nearly 600 HOAs, POAs, property owner associations, and sub HOAs. So, this is a very timely and engaged program. It incorporated everything from on-site landscape. It's a by request incorporating a water usage and a work through for any commercial entities. Over the last several years we completed 45 audits, and our most common savings is from the commercial entities finding and fixing leeks either during the walk-through process or during our analysis and assessment of their data prior to the walk-through.

[Time: 01:03:40]

So, switching just a little bit to our drought plan. Our current drought plan was approved in 2021 and focuses on conservation education and voluntary efforts then it shifts to more demand management in the later stages. We're currently working with a consultant to update our drought plan to incorporate the changing framework around Colorado River conditions. And operations. This process will include public engagement that is scheduled for later this winter. By Council's direction, we were asked to assess elements like rainwater harvesting and hot water recirculation devices this will be incorporated into the public engagement process. I do also have some historic information about our the previous time that we offered our hot water recirc. We bring the updated drought plan for approval in spring of '27. So, stay tuned. More to come on that.

But while we're updating that drought plan, the approved current drought plan is still effect. So the city is currently in stage one, originally declared in August of '21 as part of the current plan, a group of senior management staff across departments has been mobilized we are evaluating current water supply status and water demands and shortage scenarios and we will be seeing we will be coming back, you hear a little bit from the supply earlier in the presentation, looking at our estimated impacts for calendar year '27, we're still waiting to hear back from CAP on what those ultimately will be. So, as we get more information and we have more information to provide to you, we will be sharing updates and recommendations. The drought management team is there to report findings and report recommendations to the City Council. For anything that is above a stage one, our current drought plan

states that that required Council action. So, if we go to stage 2, 3 or 4, that would be a Council action. And so, as we get more information, we will be providing that to you with any staff recommendations that correspond to those. And I will pass this back to Thyra for the Harquahala and Bartlett Dam expansion update.

[Time: 01:06:15]

Thyra Ryden-Diaz: Honorable Mayor, members of Council, thank you Jill for the update. I only have five slides, to get here first I have the Harquahala and the Bartlett Dam expansion update, where we are at with both of these projects. Next slide.

So, this is the project location for our Harquahala project. It's just I have to look and see, it's about 60 miles from here. It's at mile post 81. Kind of on the way to the to California, along I-10, north on I-10. Next slide. We are legally entitled to 37, 38 37-acre feet per year. We own 1,279 acres and we are allowed to pump 3-acre feet per year, per acre. We have an additional 15,000-acre feet of long-term storage credits that we approved a few months ago and our current estimate for improvements in order to recover the water that we own and the long-term storage credits is well, long-term storage credits are in that and I should have put that in that, but to recover our 3,800-acre feet per year is $32 million. We're in partnership with the irrigation water distribution system IWDS and that is a cooperative effort with Scottsdale National and Desert Mountain who is providing the funding to recover these credits. And we have a construction schedule and we're coming with a preconstruction services contract after the first of the year for approval. Next slide.

Bartlett Dam. Here's the location on the left-hand side of where Bartlett Dam is, kind of just north where Stewart Mountain is. And south of Horseshoe Dam, this is a schematic of what Bartlett Dam looks like. I thought it was interesting and we talk about it and we don't really see what it is. So, next slide.

Scottsdale is a partner with the Salt River Project, SRP in the Bartlett Dam expansion study. Our partnership also includes study participation in the Scottsdale River Project interconnect, the SCIF there's so many acronyms and that interconnect is creating greater flexibility between the CAP and the SRP surface water systems. So, Bartlett Dam, the Bureau of Reclamation potentially will retain 50% of the expansion, the current dam expansion modeled storage capacity for Scottsdale is 8,751-acre feet. With our estimated annual yield being approximately 2,500-acre feet. So, the capacity our storage capacity assigned that we would have to pay off of is differ than what our yield would be every year. So that's sort of really important.

The current projected cost in today's dollars is $4.4 billion dollars. Scottsdale's current cost proportional to the allocation based on the remaining partners right now is $11,800 per acre foot. That number is going to change that when you calculate it in the calculator it's a lot of zeros. It's about $100 million. The NEPA is in in is in progress and it's to determine the final design option. There's a couple of design options that haven't been determined in order to add on to the Dam. There's a lot of complicated reasons why they're looking at several options. The estimated construction start today is 2035 with completion in 2045. We met with SRP like two and a half weeks ago and they updated all of these

numbers in there. We're still in the study. We need to go through and we won't have good details until they continue the NEPA process and it has to go to the United States Congress for approval and that's not slated to go for another two years. So next slide.

Now your on to, please welcome Eric McLeskey from Carollo Engineers to present our work on our water source and supply solutions. Thank you.

[Time: 01:11:23]

Carollo Engineers Senior Project Manager Eric McLeskey: Good evening, Mayor, Vice Mayor and Councilmembers. I'm really pleased to be here to share these supply solutions with you. My name is Eric McLeskey and I'm a water resources and infrastructure planner. So, what we're going to do now is we will move in to talk good supply portfolios and what we want to think about are the different options available to the city in terms of the yield, the timing and the cost and we will share all of those with you as we move through. So next slide, please.

So, as we look at the options that are available to the city, these are the things that we have been working through recently, most recently. The utilization of new conservation storage water, this is water that's in Roosevelt, reservoir to meet summer demands. On the pump back station to provide additional opportunities for water reuse. Advanced water treatment. We put it in the CAP canal and bring CAP water back to the city. And then the final one is advanced water purification or the pure water at the water campus. So, when we look at the AWPF, we looked at a range of sizes from 1,800-acre feet to 2,600-acre feet per year in terms of the yield and we will explain more about that as we get into the details. Next slide, please.

So, each of these options provide different options in terms of cost of timing and yield and the first is the Booster Pump Station 10. As you can see on the map, it's BPS10, it's Booster Pump Station 10, it's in the blue area, the central part of Scottsdale ace water system, this water comes in from the satellite river system, it would come through the canal to the Chaparral water treatment plant where it would thin be moved into the system and through booster pump station, that can be moved from the Chaparral plant up into the northern up to the central and northern parts of the city.

And what we did here, we were looking at an ability to look for peak demands in the summertime. So, an 8 million-gallon per day demand is what we looked at, taking at the four months, the high use months in the summertime and moving that water from the south to the north and looking at the modeling and the ability to move that water and we identified some distribution improvements that would be required in order to do this. These are things that are straightforward. And this is an important site not only for this water but as you heard about the Bartlett expansion. This water can move through site 10 into northern part of Scottsdale once the water is acquired. It provides a lot of flexibility both now and in the future. Next slide, please.

The Sixth Pumpback station. This brings more water back to the water campus for reclamation. And so wastewater and the city of Scottsdale is at the water campus is pumped back not all of it, but the

majority of is pumped back through a pump back system. There's five pump stations. The yellow area on the map shows the areas that receive water from the pump back system. And pump it back to the water campus which is green dot on the top of the map there. The sixth pump back would be a new pump back station that would be near Indian Bend Road and Hayden. It would collect wastewater from the pink area shown on this map and pump it back on the southwest pump station. This project would bring and an additional 4 million gallons per day and allow the city a lot of options with current operations with recharge and recovery, it would fit into all of the water reclamation and reuse options that we're looking at today. It's a key piece, an important piece of the future to allow the Scottsdale to immediately get more water back back to the water campus. Next slide, please.

So, this option is bringing advanced water treated facility water this is water that is already going through very highly treated process to purify it. The water is typically reclaimed. This includes new pipeline over 2 miles from the water campus south to the CAP canal. It would require a new turn-in structure and yield about 2,300-acre feet per year. And this is based on available reclaimed water, which we'll show you on another graph that it varies because of the RWDS demands this would require some coordination with the Bureau of Reclamation because it's putting water into the CAP canal. The city is already in discussions with the Bureau of Reclamation for the Harquahala project and this project. Those discussions are ongoing. It's something that would need to be worked out as part of this project. Let’s go to the next slide please.

[Time: 01:16:54]

So, advanced water purification. We looked at two options at the water campus initially. And in terms of the annual year, that provides 1,800 and 2,600 a year of water supply. If you look at this graph, what this is showing is a bar chart of the reclaimed water available at the water campus on a monthly basis throughout a year.

The purple bars show the reclaimed water that go RWDS, and that varies based on irrigation demand. As you would notice in the winter months, that's a lower number. They don't need as much water to irrigate and in the summer they need more. The blue bars show the portion of reclaimed water that would be available to for another purpose, for advanced water purification. So, under our current scenario, really what this it really limits the ability to do advanced water purification for five months of the year. There's five months that are showing the blue wars and that's where the water could be used. And so, without a sixth pump back station as an option to bring more water back to the water campus it really does limit this initial option to just a partial time of the year where you would be running your advanced water purification facility. Let's go to the next slide.

So, we spoke to the RWDS a few times already and I want to point out on this map; you may well be aware of the RWDS and the golf sources that are involved in that agreement. It's an important part of Scottsdale’s character and economic driver. 23 golf courses receive reclaimed water from the RWDS system through a series of pump stations that take the water from the water campus and take it back up to golf courses for irrigation and these golf courses are very efficient in their water uses and many of them are doing things like the DC Ranch Country Club recently removed 10 acres of turf to be able to

save water. And is it is a part of the local economy and all of the options we have shown you so far allow the water to continue to go to the RWDS. We are not taking any of that water back for any of the options and so we assume it will all continue. Next slide, please.

[Time: 01:19:08]

Okay. Then when we get to the details of AWP, what is important here is this builds on Scottsdale's legacy of having a current multibarrier treatment approach at the AWT, at the water campus for nearly two decades. So, the processes that currently are AWT are ozone, UF, RO and a UV system. In order to move to an advanced water purification system and it would need to be updated and advanced oxidation process would need to be added, as well as GAC contactors. Things in the white boxes we have already been doing and things in the orange box are things that need to be added for AWP. And so, this puts the city in a unique position amongst other utilities in Arizona with all of the history of treating water to specific water quality requirements for the RWDS, and the operational experience collecting water quality data and all the things that go along with that. It really puts the city in a great position to move to the next step with advanced water purification. Let's go to the next slide, please.

This is how the sixth pumpback would affect the water campus. This is the same slide with the purple and the slight blue bars what is added to this is the additional water that comes back through the sixth pump back. Those are the darker blue bars at the top. And now under scenario, you have a facility that operates every month of the year and provides greater overall because now we have an additional 4MGD back to the campus and the water that is available when the RWDS not taking water and so for the months where you have high flows you need a 10MGD facility to produce 600-acre feet per year. And the lower end would provide about 4,000-acre feet of water per year. There's some options there. We are giving you bands of what that would look like. This demonstrates the value of thinking about these projects together because these are you can think of them individually, but I think also thinking about them it's not an either or, there's different combinations to help Scottsdale as you move along in the future. Let's go to the next slide please.

So here we are going to talk about yields. What is important here is the capacity of the infrastructure is to move water from point a to point b, and then there's the yield of the project which is based on how much water you can provide you can see with this option that you have, facilities of different capacities and the yields range quite a bit from 1,800-acre feet with the 1,800-acre foot per year yield that the smaller size of the AWPF at the water campus all the way up to with the sixth pump back and the larger AWP at the water campus, you can have almost 6,000-acre feet of water. Again, in combination many of these things provide different levels of value and what does that mean for the city in terms of those things. Let's go to the next slide.

So, the way we have done this is we laid this out in terms of how we see the potential for acting in the near term, the midterm and in the long term. So, on the short term, we have NCS water there and the city already has legal access to this water and there's water in storage in the Salt River system, and what would be required some infrastructure that could be designed and built relatively quickly. The sixth pump back, also again it's a matter of designing infrastructure and but that would be it’s a new pump

station it would require a new force main to bring water back up to the southwest pump back station and design and commissioning and all of those things. So, it might take a little longer than the NCS water.

The AWT water to the CAP canal is also in that midterm and primarily because there's some infrastructure to construct there in those discussions with Bureau of Reclamation to consider. We advanced water purification and the Bartlett Dam in the long-term area. There's a lot of steps that you need. Even though the city is doing so much you need already with AWT, there are still steps that Arizona requires in order to move to AWP, and the city is well aware of all the steps. We have studied all the steps that need to be taken but it's still a long roadmap to get there with some of those things with what Arizona is requiring. So many options and over various timeframes here. Let's go to the next slide.

[Time: 01:24:09]

And so, what's important on this is we're looking at the at again, the two sides of the facility, there's the 1,800-acre foot per year yield and the 2,600 and total capital costs with an estimated midpoint of construction those are $133 and $164 million respectively. Those are capital costs. The annual O&M costs, are also shown, and that's $6.3 and $7.3 million respectively. So there's additional labor and things that would be required as part of that and that's kind of built into that annual O&M cost and then we have the total present worth there in millions and so that's 232 and 277 and that's looking at with the larger size you have a little bit of an economy of scale with the O&M, a small facility requires almost the same level of operation support and staffing, and you may have less chemicals to purchase and things like that, but you still have an initial investment and you have a little bit of an economy of scale there and it's not quite a linear relationship but those are the numbers we came up with. Next slide, please.

Okay. And so, this shows the conceptual project costs for all of the projects across all the options that we looked at. So, again, the second column here the total capital cost and then we have the dollar per acre foot value shown in the last column and so some things here that really stand out is clearly there's a wide range here if you mean the and it's $6 million estimated, capital cost, $600 per acre foot water supply is really on the low end of the spectrum of what is shown here. And then we have got the sixth pump back, and AWP and the CAP canal and then when you look at the AWPF for the 1800 and 2600 options, you really start to gain some efficiencies when you or I would say again economies of scale when you look at combining that with the sixth pump back at least in dollar per acre foot. It's more of a capital investment but you get a better value in the water that you have available to you. This summarizes the costs of the projects and the different options we looked at. And next slide, please. Okay. And I think this is back over it, Thyra.

Thyra Ryden-Diaz: Honorable Mayor and members of Council, this is the last slide where we have the question slide. So, the next steps for Scottsdale conservation, resiliency and operational flexibility. To confirm Scottsdale's interest in secure water Arizona program swap and participate in the first swap meet they're calling it in January of 2027, as a regional partner. Second, to evaluate additional conservation rebate programs through public outreach programs through the 2027 drought

management plan outreach effort. Finish the new 2027 drought management plan and return the updated plan to Council for approval in spring of 2027. Build upon the Salt River Project SRP and Scottsdale partnership with Waterfluence, the Bartlett Dam study and the SRP central area project cap interconnection facility SCIF. Continue working with the Arizona Department of Environmental Quality, ADEQ on the advanced water purification facility rules to align with achievable results and city operations. Carry on working with the Bureau of Reclamation, BOR and the CAP on wheeling water on the CAP canal water highway. And the NCS water, adding the sixth pump back and upgrading the AWT UVAOP that one piece of equipment, it's been 20 years, and I did want to just mention on the golf course slide, that it's the RWDS users that actually paid for whole program when we started designing in 2008. I designed it, ran that project around the capital project to to build that and we finished it like 2011. So that solved a problem, which just kind of one brag for Scottsdale is that partnership was kind of new and innovative, and it allowed the golf courses to secure water that wasn't our potable water resource, and the problem we were solving then was salt in the water. And here we are 20 years later and our salt in the water cooperative partnership is the basis of everyone else's AWP. So just a little brag out there. So, with that's why it's importance to us to be trained and out innovation is shared. So, with that, the next slide is questions.

[Time: 01:29:58]

Mayor Borowsky: Thank you, Thyra, appreciate that. I would like to take the Council's comments first. So, Thyra is here. Yeah, we're talking about that. Got it. Go ahead with your question.

Councilwoman Whitehead: Oh, well, I have quite a few remarks. I would like to hear from the public to make sure I capture what they're looking into if that's possible.

Mayor Borowsky: Okay. There's only three people. So, let's go over that.

Councilwoman Whitehead: Thank you so much, Mayor.

Mayor Borowsky: Raoul Zubia, followed by Frederick Tack and Douglas Kobrick.

[Time: 01:31:05]

Raoul Zubia: Good evening, Mayor, Vice Mayor McAllen and Councilmembers. Raoul Zubia address is on file. We just heard a long presentation of water plans. But it's not a long-range water plan. It relies on ideas that may or may not pan out and it fails to provides a safe, secure and affordable water future for Scottsdale. In just the past two years our water fund balances have gone from 221 million down to a projected 80 million this year. That is the money we need to invest in future water security and it's disappearing. And at that time where it's critical, more critical vetted water projects have been defunded. Three years ago, a different City Council adopted a water plan for the future, this Council majority defunded it. And tonight, instead of restoring a real plan, we are being asked to accept something that lets politics override good water policy. That is not how Scottsdale got here. Our prosperity was built by elected leaders who put the community first, who believed in science and who

invested in a secure water future.

Scottsdale Water was once making national headlines as a leader in water innovation. Two years later, we're in the headlines again but for all the wrong reasons. So, this Council majority has recklessly undermined public trust in the state-of-the-art water. It has spent millions of dollars on proposals that failed to deliver long-term water security. All while blocking the projects that do. The residents are watching. They deserve better, they deserve a plan built on science, backed by real funding, and focused on the long-term not the next political moment. Water is too important for politics, and it is the foundation of our economy, our neighborhoods and our quality of life. We need to get back to investing in water security, and delivering water our residents can trust and afford. So I'm urging you to return to the work of building a long-range water plan. Thank you very much.

Mayor Borowsky: Thank you, Raoul. Next, we have Frederick Tack, followed by Douglas Kobrick.

[Time: 01:33:42]

Frederick Tack: Thank you. Good evening, Mayor, Councilmembers, my name is Frederick Tack. I'm a resident of the city of Scottsdale, 8401 East Edgemont Avenue, long time listener and not a first-time speaker. Glad to be back. I'm speaking tonight as a resident but also as a water professional, industry professional with over 25 years' experience, licensed civil engineer here in Arizona, board certified water resource engineer and environmental engineer, and a certified water and wastewater operator and recent past leader of industry organizations like the Arizona Society of Civil Engineers, National Society of Professional Engineers and AZ Water Association.

I wanted, I'm here tonight because I want to encourage you to support the recommendations of the city water staff and their presentation tonight. I can attest that they have some of the most recognized industry, locally, regionally and nationally leaders in the industry and this the water Scottsdale water system is some community experience, or experiment even. There's projects that result in change, both at policy and delivery and as mentioned in the presentation tonight, is leaned upon by other local cities to meet their water needs as well.

The key thing about the presentation tonight, it puts a lot of things on the table but really what that is all speaking to is water security and that's what should be on your mind. I hope you're considering what level of water security Scottsdale needs, what you want, how much you're willing to invest and how much it provides safe, resilient water for the future, But I would encourage you to make an important distinction, your your policies and priorities that you set and give direction to, is that decision that you get to make. It's empowered by your staff. Staffing is a big part of water security and if Scottsdale expects to make nationally leading technical decisions it needs to invest in retaining and supporting the professional staff capable of giving that to them. That's your superpower. You have the ability and the capability to empower the staff to deliver on what your goals are. These are professionals would have ethical obligations to protect the health, safety and welfare of the public first in addition to their allegiance to the state, federal and governance.

That doesn't mean that the Council shouldn't ask difficult questions and you absolutely should. I only get to. You have the time ask those. You should be asking what it costs, what the risks are, and how reliable is it, and really you should be making you should be supporting decisions that lower the long-term cost to operate. There are things you and others will need to make now, and it may cost more now but evaluating it based on the long-term cost operation is key.

You have an opportunity to retain your view as a national leader, not by building innovative projects but good governance around your policy and projects. So, you maintain responsibility and accountability for funding priorities, affordability and long-term policy, but water safety and delivery belongs in the hands of the water professionals you hired to deliver it. Thank you.

Mayor Borowsky: Thank you, Frederick, appreciate it. Douglas Kobrick.

[Time: 01:37:11]

Doug Kobrick: Thank you Mayor and Council for the opportunity to speak. My name is Doug Kobrick, I'm a 39-year resident and I also a professional engineer working in the water sector. I live on East Chollo Drive here in Scottsdale. I will speak briefly to you just about the vital subject of Scottsdale's future water supply. Scottsdale and most of the other cities in the valley are one of the clients we work with but I'm speaking on my own behalf this evening. I commend you for challenging the status quo for several decades is over and we're in a new and challenging ear with respect to water and I sincerely hope that the city will continue to take the forward-looking approach that's long characterized Scottsdale as industry leader.

I have three specific suggestions I would like to offer to the Council. First of all, is the importance of collaboration and it was great to hear some of the examples that staffer shared with you this evening. The Colorado River water supply problem affects everybody. It's everybody's problem. It hits every water utility in a little bit different way but there's strength in numbers and there's potentially economies of scale from working together. So, I would encourage the city not to retreat into a silo but work with others and share our work together to solve our shared problems.

Secondly, I really encourage the city to remain innovative and maintain it’s technical excellence. You heard Frederick talk about the reputation that you enjoyed nationally. That's absolutely true. Scottsdale has always been at the forefront of advanced solutions to our water challenges. You have always employed some of the very best and brightest in our industry and that remains so today. So, I strongly encourage Council to listen to your staff and take the benefit of their wisdom and expertise.

And then finally, I just want to point out as we all know, that solving these problems will take significant investment, the low hanging fruit have all been picked and so the cost water which is always an incredible value here in Scottsdale and elsewhere in Arizona, is inevitably going to need to go up. Some of those projects you saw presented there by Eric from Carollo will be expensive and obviously this can be a very difficult political issue. Rate increases are obviously sensitive, but I encourage the Council to

demonstrate the leadership that's needed to make those difficult but essential decisions to strengthen our water supply and address our water needs. None of the solutions are cheap. And the most expensive option is to do nothing.

So, one final point I wank to make, when the city does looks to recover the costs, please look to the people who benefit the most from these investments and make sure they pay their fair share for the benefits they receive from a reliable water supply. I thank you for the opportunity to speak.

Mayor Borowsky: Thank you, Douglas. I appreciate it. And that was the end of the speakers before. We move to questions from the Council, where were the recommendations? Was that on the last slide? Can you keep that up, please?

Thyra Ryden-Diaz: Sure.

[Time: 01:40:41]

Mayor Borowsky: Because that slide 38, I think it was 38 that Eric went through, that maybe it's the next one that talked about all the the one where you had the like, eight choices and the price per yeah, that's important too. So are one of those or some of those in the recommendation slide?

Thyra Ryden-Diaz: Honorable Mayor, members of Council, they are. So, the NCS water use was recommendations, the sixth pump back was in the recommendations. The AWT, the canal is actually part of the Harquahala discussion. So, it was in there as far as working on the canal superhighway question. I have the UVAOP to upgrade that portion in the recommendations as well.

Mayor Borowsky: So, the last two there, especially the last one where it seems highly cost effective compared to some of the other choices, and it seems like there's a combination that's not being recommended?

Thyra Ryden-Diaz: So, it is. So, the sixth pump back is being recommended but you see and I think what we did on here was to look at go forward, like providing those kind of long-term solutions and the sixth pump back we could do right away and use that water. That's why it's up there separately but it's also up there as a combination and then in the recommendations, I did because the sixth pump back will take some time and so would working out the rules with ADEQ for AWT. So, in the interim one is to upgrade the UV to UVAOP, that's where the yellow line and the white line was there because upgrading that piece of equipment, it's been 20 years that would allow that's a long lead item. That's something that we would need anyway. It's also upgrading the system, and we could do that kind of in conjunction as we work the rest of the stuff out and then move forward with the AWT if we close to do so. The sixth pump back, in my opinion, is super important. I think those first two-line items we do; I already put those in as capital requests for next year. Hoping we go forward with them. I slid them in for part of the committee. Because those both gives us acre feet of water we can use, kind of immediately, particularly that NCS water use that gives us water that we're not utilizing right now and it pumps us up north and it helps us if we get water from Bartlett Dam.

That makes sense to me. It was part of the strategic plan, but it fell out of our CIP and hasn't been in there. And so just pop it back in and and be able to just be able to use that water pretty quickly and that's a as far as time, yield and cost, that's a cheap project. It's fast and if gives us a yield right away for water we already have or just not utilizing. The sixth pump back, that's water we can control. That our destiny, right? If we can control our water and we can have it, why are we giving it away. We can use that water for right now, for recharge. We can use it for reclaim. We are meeting our reclaimed needs and he can add that water when you saw that purple and the other lines, we could recharge that water and be saving it as well. So those are two simple things that we could do right now that revamp our capital program a little bit. Our capital program was kind of it's a 2014 version. It really hasn't been updated in the last 10 or 12 years and we have been working hard trying to go through and pulling things out and seeing what it is that we really need to do to kind of go forward and to kind of rethink all of it. So, I think those top two items are in the recommendations and so is upgrading the AWT.

Mayor Borowsky: I would like at some point to have you explain the difference between maybe right now, why not? Between AWP and ATPW.

[Time: 01:45:08]

Thyra Ryden-Diaz: AWTO that I said before was…

Mayor Borowsky: No, no.

Thyra Ryden-Diaz: The advanced water treatment operator.

Mayor Borowsky: No, what we're doing now, versus what's contemplated with the ADEQ approval.

Thyra Ryden-Diaz: Let's go back to it's one of my favorite slides. Slide number 34. Slide 34.

Mayor Borowsky: Like the procedural difference. Meaning…

Thyra Ryden-Diaz: Right so it shows here. This is a procedural difference. What we have right now is the in the white, moves through now. It's moves through ozone and UF and RO and then it gets treated by UV. And so that's kind of where we stop right now in order to move to AW from that's our AWT process right now to move to AWP, we would need a UVAOP system, that's an advanced oxidation process. So, it's a new piece of equipment that replaces our current UV and then we need the GCA, the granulated activated carbon for the additional removal, and then likely do it for groundwater and blending it with other water because all the water gets in the same spot. It kind of combined at our plant. So so that's kind of where it is. So, we're we have the white done. We just need to change out that piece of equipment and add that GAC to move to AWP.

Mayor Borowsky: Okay, two things on that. Aside from the initial investment to convert or progress if you will, to the new process if you will, to the new process, is there a cost savings and a time savings if we implemented the new process ultimately? Notwithstanding the investment cost of the new you

know, equipment that you're talking about.

Thyra Ryden-Diaz: Honorable Mayor, if we just replaced the UVAOP we actually don't have that costed in this. I gave it as a suggestion because we're still working through the ADEQ rules that we submitted, are you asking about.

Mayor Borowsky: What I meant was, taking us if you to go from the existing process to the new process, and you don't factor in the cost to upgrade if you will the new to the new process, would this be a more efficient system both in cost savings and time savings for the production of purified water?

Thyra Ryden-Diaz: Honorable Mayor, members of Council, we would have to do all of those items and it would be the acre foot per cost that we had with the additional operating cost to move to AWP.

Mayor Borowsky: Okay, I guess I'm not being clear with my question. I'm talking about after that investment is already made in terms of the actual processing of the water, is there what are the advantages? Let me put it that way for the new process versus the existing.

[Time: 01:48:24]

Thyra Ryden-Diaz: So, the new process to go to AWP, would be you can direct blend the water. Right now we take that excess AWP AWT water but only for those four months a year when we saw the one graph whether we saw the purple and there's the summer months, there isn't any additional water and it would only be a couple of months that we could -instead of pumping the water into the ground and saving it, which is what we do now and then we pump it out again and retreat it, we would direct blend that water. So, it it doesn't actually acquire without the sixth pump back, we don't actually acquire any new water with AWP, we only take the water that we were pumping in the ground, and it provides a direct blend. So, it isn't there's no net gain without the sixth pump back.

Mayor Borowsky: So, you're recommending the new process ultimately, once the ADEQ comes in?

Thyra Ryden-Diaz: Honorable Mayor, members of Council, that's a policy decision by Council. I'm recommending that we at least change that UVAOP piece of equipment now and then we would be ready to go forward.

Mayor Borowsky: Got it.

Thyra Ryden-Diaz: And it's a time saving, it's probably a cost savings. Buying it now versus we projected the costs out to the midpoint of construction. It would just be taking a little bit of that money right now and then we would have flexibility options. I'm looking for options that are flexible that create resiliency that give us a lot of options going forward because no one has a crystal ball on where we're going with the water.

Mayor Borowsky: Okay. And that gives us 6,000-acre feet per year estimate.

Thyra Ryden-Diaz: Honorable Mayor, members of Council, if we include the sixth pump back. Yes.

Mayor Borowsky: Okay. Thank you. I will turn it over to Councilwoman Whitehead.

[Time: 01:50:12]

Councilwoman Whitehead: Thank you, Mayor. Yeah, we have kind of been in the weeds. I will get to a higher level but people who know me, know I like the weeds anyway for this topic. But that said, I just want to thank staff not only for and Carollo Engineering for being here and not only putting this presentation together but also spending time with us, the Council ahead of time so that we we're able to ask a lot of questions understand a lot of things ahead of time. You know, as I often say, a city's job is to prepare for the worst-case scenario. And then work diligently to deliver the best-case scenario. And we're not experts up here. We are elected to listen to experts, listen to our residents and make data-driven decisions, which we have as the last speaker eloquently said, as we have done for a very long time.

And so that brings me to some of what's going right before I talk about this proposal in general. For decades City Councils have, in fact, looked very far into the future and we're reaping the benefits today. So many of the projects in today's presentation are the fruits of that, those investments, Harquahala. I don't even know how many years. It predates me. That was a decision made to make that investment in Harquahala. The water campus, and I think it's 30%. I think the golf got credit for a little more. That was a partnership with our golf industry to build a water campus that produced potable water which is now called AWT, which will be called AWP, but somebody added an f to that. The difference is that we were using the water campus water as test as drinking water. And we had beer made from it. And all kinds of other you know, popsicles or whatever, but now the ADEQ require us that we go to AWP, just to answer that question. Again, the whole water campus itself was long-range planning.

The 2019 Bonds that Kathy Littlefield and I helped bring into reality, those are providing humongous for lack of technical term, savings that we will reap in terms of water conservation. The Prop 490 also is giving us a variety of tools and trees, in fact, ways to save more water. The water smart portals that are brought up, the leak detection, that predated me. And the decision to pay for Roosevelt added capacity in Roosevelt Lake. So, you add more water through the dam, that's we're doing in Bartlett and we paid in advance for that water but we have never really gotten that water. So, I'm just pointing out that there are a lot of giants that predated us, that led to the successes, the options we have.

And I just want to say that, you know, we have a serious swatter challenge in Arizona, in the west, and in Scottsdale. But really, there are no technological barriers for for solving these problems, for overcoming these challenges and coming out more secure and more resilient in our water supply. We do have sometimes political challenges. So, it is going to take political will. So, there's a, and one more thing I want to say is everybody is looking for a silver bullet. Everyone calls me give her the water fountains. We all have ideas. There's no silver bullet, there's silver buckshot. We are going to need this water and this water and this water and this water and this water and that is how we collectively I think Thyra said

something to that, collectively, that's what gives us that resilience.

So, the last two years have been a little frustrating for me. This presentation is well, I'm so happy to have this presentation, but it's two years in the making, and in those two years we haven't necessarily gone in the right direction here in Scottsdale. Our water usage is up. And that's based on the data that we water usage data we're required to give to the Arizona Department of Water Resources. As one of the speakers mentioned, our financial reserves are down. So, this Council this Council, in 2025 started and inherited $222 million in fund balances. By the end of this fiscal year, we'll be down to $80 million and as you have heard, there's going to be a lot of costs involved investing into the future. I'm thrilled about all the new employees. Welcome to all the new employees but we have lost a record number of top-level technical and policy staff. So that's always difficult.

I was pleased that the water strategic plan that I helped also also Kathy Littlefield was so Councilwoman Littlefield, we helped get through, made this this presentation, however, it is largely been defunded and stagnant for the last two years. And and this is back to that AWT versus AWP, I'm going to stop using those, but we were the leader in producing potable water from wastewater and we were on the cusp of taking that final step. So, the Arizona Department of Environmental Quality decided before even though for years people on a test case basis were drinking our pure water from our water campus, they added that extra step, that gets us from AWT to AWP. So that extra step is the difference between not being able to blend that water, not being able to expand our water portfolio and and get rid of some of the gap that's created by the loss of the knowing steep cuts we're going to get from the CAP and having an extra source of water.

And I just want to mention too, there's a lot of talk about, well, the golf courses use all of it during such and such months. There's no stagnant numbers here. The golf courses are doing amazing things to reduce their water usage. So, what they are using yesterday has nothing to do with what they might be using tomorrow. This is a this water challenge is something we're all going to be very involved in. So the bottom line, though, is the biggest the most important project for Scottsdale, the top priority and the recognized most important source of water in the west is this advanced purified water, it's reclaimed water. Treated to a level that's a higher level than most bottled water, but that has been for a variety of reasons that none of them made sense to me, that was cut. That project was cut.

[Time: 01:58:02]

So, we were on the cusp of having it and now we're a couple years behind. And so, I I'm going to talk about the different projects I support and don't support but it's absolutely imperative that we get it started. The same regulations that we have used as excused not to move forward on our project, the Phoenix started, Phoenix started one of their three they're going to build three AWP pure water facilities and they're 50% done from the ground up and we just had one more little end there to build and and we have stopped.

So, I do want to talk about the projects that I'm excited about that probably made little sense maybe they won't make any sense to you with me talking about them too. Can you put up the pumps. I think I

took notes too. I always forget the names. Pump back. I want to explain. Right now, our wastewater from about Shea north goes to our water campus and gets treated to pure to AWT, we treat it to potable water. That's the goal. South of Shea…

Thyra Ryden-Diaz: Slide 30.

Councilwoman Whitehead: So south of Shea, all of your wastewater, if you live south of Shea, roughly, it's going to 91st Avenue, it's going to Phoenix. So, what did you call it, the pump back sixth, what that's going to do, is take a lot more of our south Scottsdale wastewater and get it to our treatment facility. I don't know if that was clear in the presentation. We want to capture more of our water and treat it. So, I really excited about that project. It was canceled for a variety of reasons and I'm glad it's back. The pump station 10 that was mentioned, very excited about that too. I mentioned that Roosevelt Dam was raised and more water was stored and previous Councils secured some of that water for us. But we didn't know how to get it to Scottsdale. Therein lies pump station number 10. That will give us the means to get that water again to our water campus.

[Time: 02:00:17]

So, these are really exciting projects I support. I do not support this idea of once again postponing the final piece that we need to take our wastewater, get it certified by the Arizona Department of Environmental Quality, and start blending it right here into our water supply, and the reason and instead, I totally oppose this idea of sending our wastewater, our treated wastewater that every one of you paid for, and putting it into the canal and sending it to Chandler or whoever else. And I have three reasons I oppose that, I oppose that. Number one, is it's very expensive to treat water. So, what our ratepayers will be doing is they will be treating wastewater. Then we will be dumping it into the canal and then we'll be getting water from the canal and treating it again. So, we will be it's not quite double but we'll be paying twice.

And let me tell you another thing, there is no deal where we send a cup of water down the canal and whoever takes that buys that cup gives us a cup back. That's not how it's gonna work. We're going to send a cup of water down the canal let's say to Chandler, whoever, and they're going to give us maybe three-quarters of a cup back. So, we will be paying more to get less water. And then number three, our number one challenge with the city of Scottsdale, is to stop back reliant on the CAP. And yet this this AW this proposal that was proposed, actually increases our reliance on the very problem we're trying to solve. So, I strongly oppose that project.

I'm hearing a lot of this toilet to tap kindergarten stuff. Well, that is that seems to have fed this two-year delay in us finishing this project. And it seems to be at the heart of why we would send treated wastewater downstream when we need it right here in Scottsdale. So, I want to talk about toilet-to-tap. Folks are already drinking it. I have a list of all the cities, all the municipalities that are putting their wastewater into the canal upstream from us. It's not a problem. So, I'm going to quote former Water Director Brian Biesemeyer, yeah. And I made it so the public will have all of these documents too. And these are just missing from the presentation, but I'm sure they had to cut the presentation down to a

certain level. What did former water director Brian Biesemeyer said, when somebody complained about toilet to tap. He said the source of the water doesn't matter. It's the treatment that matters. Why on earth would we not be working to make our treat, we were the leader, make our water treatment the best it can be? That investment is critical.

I also have a few other comments about what this proposal isn't. There were a whole lot of pieces and parts in it and, again, really feeds into the notion that there are a lot of opportunities for us to solve it. What we don't have is a, what we don't have is a comprehensive drought management plan and this isn't a surprise. We have known about this for the whole two years that this Council has been in office. We have to plan for 20% to 100% cuts in the CAP because all of this remains on the table and we are not there yet. We have a lot of pieces and parts, but we don't have a comprehensive plan. We also need a conservation plan. So, I appreciate all that you are doing on conservation. The best way to prevent mandated water usages is to have the plan and so I'm you know, I'm looking forward to seeing a plan so that we know so the golf courses know, so the homeowners know how much they need to conserve in order to meet future demands. We don't need to look one year ahead of time, but ten, 20, 50, 100 years ahead.

[Time: 02:04:55]

What also is not in the presentation is the water usage data as I see you added it the last minute although I didn't see it. The water usage data that we submit to the to to the Arizona Department of Water Resources, so I've asked the city clerk to have all of these charts available to the public and I can pull them up, but so these are charts that are really important. We also don't have municipal water usage data, and I think that's important too. We need to know how much are we using compared to last year's and what is our goals.

And finally, the other thing that I think is missing in this is the financial resilience. So, there's no such thing as a water department if it isn't financially secure and so we need to have that plan and as I mentioned our water fund balances have drastically gone down in the last two years. So, we can turn that around. It's never too late to turn it around but it's important to say where we're weak and where we're strong. My priorities again are for a drought to have to have a drought plan to bring back the advanced water purification to make sure that we can drink our own water, not send it down the canal and make conservation a priority.

And then I have some questions for staff on these different slides. I just want to point out on slide five, or it's sort of we have six, that's that pie chart is it just doesn't sync with the AW what we submit to I think it's important that the public see the same charts that the same numbers that we have so supply to the state and I recognize why you have lowered that from 71 to 69, but I just want to point out that we should be consistent.

Let me see some of my oh, I wanted to understand why on slide 29 the booster pump station I think you mentioned four months, isn't that something we would want to run for 12 months? I don't know if you if these are questions you want to just answer at a later date. Why don't we just have you answer these at

a later date. I will submit these questions, but I will tell you what they are. On the drought management plan, I'm going backwards to slide 21. 15,000-acre feet reduction, doesn't that put us in stage two? You mentioned stage one, again, I will just give you these questions. On your chart, let's see slide 24, I think you should add Harquahala to that. It's it's the chart anyway, the chart where you list all the timelines for the different projects, do you see that, Thyra?

Thyra Ryden-Diaz: Honorable Mayor and members of Council, we didn't include it in our timeline, because this is a project that is already moving forward. This is just an update. It's not on there. You can put it in that medium range and to receive that 3800-acre feet.

Councilwoman Whitehead: Okay, I have a few other questions, but I think I will take those offline. Overall, I like the direction. I don't see a cohesive long-range plan, and I see some big gaps in in conservation targets and AWP, the pure water, but thank you so much for the presentation.

Mayor Borowsky: Vice Mayor McAllen.

[Time: 02:08:56]

Vice Mayor McAllen: Thank you, Mayor. Thank you for your presentation, Thyra. And to the new staff, may this be the hardest day you've had so far. A little levity there. Thank you for joining the City of Scottsdale. Congratulations to the staff that passed their certifications, that's quite an achievement and so that's wonderful. That being said, I do want to let you know that as we move forward with the plan, I mean, obviously all of us will want to be involved, but I appreciate the comments made by the two gentleman actually all three gentlemen that spoke but understanding that you are the water professionals and we respect you but we want to represent the citizens in this decision process and that we will be, you know, encouraging you along the way.

That being said, I fully support the sixth back pump, the station 10, obviously the easiest fix is the UVAOP. That's almost a no brainer. We fully support that and then moving towards advanced water purification seems to be the best, obviously, investment for our dollars for our citizens. There are going to be some tough decisions that do need to be made. That means water rates may go up because we are going to have to put in infrastructure. That's a reality. The gentleman out there is smiling, the professional. You know, he alluded to that. We know that. That's why we're elected to make decisions that may be tough but responsible. And that's what we're going to need to do. So, thank you. I look forward to working with all of you to move this forward because we do need all of these items that you suggested and even more. But we need to move towards that advanced water purification. So, thank you.

Mayor Borowsky: Councilman Graham.

Councilman Graham: Mayor, thank you. Great presentation. A great eye-opening presentation. I agree with some of my colleagues who have already spoken. The let me pull back here. The NCS water use sixth pump back it almost feels like a no brainer. You mentioned those were not were they ever in the

CIP?

Thyra: Honorable Mayor, members of Council, Councilman Graham, so the sixth pump back was an idea. It was not included. It was not included when I went back to go see why and go through, because I have been really digging through the capital program to figure out what we need to do different and we have a different way of of verifying those projects and deciding what needs to go forward and how we put them in our budget. So, there was a parcel of land that was offered and when it was investigated as a sixth pump back, it was in the floodplain and they abandoned it instead of looking at another location.

The other thing is the idea at that time was to run another pipeline up north. So, like 14 miles up to the water campus. That's a little bit in my advantage in this seat where I'm sitting at, as I know where all the pipes and pumps and everything is, because I built most of it. So, we worked with Carollo and we put our heads to go and we looked at the southwest pump station so it can go up north so we don't have to do the whole pipeline. It's a little bit my analogy when you are writing an essay, and you are proofreading and someone finds eight different mistakes. You just think about things differently and thinking about what water we can control and recover right now and so that's also on the forefront because doing the projects that don't yield us any water or use water in a different way but it's the same water, aren't going to solve the problem, but creating the sixth pump back, that's water. That water that we send right now that goes to SROG's at 91st Avenue and that's water we pay to treat right now. And we could send it up and we could go through the AWT process and store that water and that's a net gain for us. And we could use it whenever we need to use it.

[Time: 02:13:41]

Councilman Graham: I guess the reason it was not on the CIP there was an obstruction and we were able to resolve that with you and your team with a fresh perspective on it.

Thyra Ryden Diaz: Honorable Mayor, members of Council, Councilman Graham, yes, it was. It was an idea that didn't get put in the CIP and so we I've already put that in for a CIP request for next year.

Councilman Graham: Yeah, I hope that we see it in there. Yeah. Pump station 10, why wasn't that that hasn't been in the CIP?

Thyra Ryden-Diaz: So, no, it was they have this really big, long spreadsheet that has this workbook of 10- or 12-years' worth of projects. It was out there…

Councilman Graham: In the out years.

Thyra Ryden Diaz: The really out years and it's not that expensive. Who knows what was prioritized. There were things in the capital budget like expanding the CAP plant for $30 million was in there for like, I believe it's next year. Don't quote me on that one. That's something where we're not going to get additional CAP water. It doesn't make sense. It's just reframing what that capital was. I think some of it was it just needs a lot of time spent on it and it was just sort of it was sort of wrought for a period of

time.

Councilman Graham: Yeah, as it was said, pump station 10, it will take water from SRP and move it north. Are there any prohibitions or regulations for moving SRP water north? Is there any?

Thyra Ryden-Diaz: Honorable Mayor, members of Council, Councilman Graham, yes, there are but there's some water that we could use up north.

Councilman Graham: So, we're allowed to do that?

Thyra Ryden-Diaz: Yes.

[Time: 02:15:18]

Councilman Graham: More or less?

Thyra Ryden-Diaz: Well, we have Jill Brumand who is super smart on all the rules, and she says we can use that water up north for that water that we are not using.

Councilman Graham: So, we can give her credit or blame her.

Thyra Ryden-Diaz: The NCS water, she's going to nod right now is not on project water. We can use that other places and we are not using it. So that's the difference with the SRP water, but because it's the conservation space in Roosevelt, we're able to use it wherever we need it.

Councilman Graham: I hope it's okay that I asked about that.

Thyra Ryden-Diaz: Well, it's on record now.

Councilman Graham: Yeah. Let's see what else here. Let's talk about wastewater. We you know, we we're all in on the recycling water and treating the water and reusing the water, but is there I mean, I guess maybe looking at slide 32, are we not able to use do we have enough wastewater, do we not have enough wastewater to use for all of these purposes with golf courses and what we currently use it for and then also, you know, potable reuse? Do we have enough wastewater for that?

Thyra Ryden-Diaz: Honorable Mayor, members of Council, Councilman Graham, so, this site this slide does show it. So, you're correct. So, the purple are not the months we could use it so April, May, June, July, August, September and October that don't have money that we are pumping into the ground to save or we could use for direct potable reuse. So, all of that is used. Now if we switch to the slide with the north with adding the sixth pump back assuming we do that, that does change the equation, but right now if we were to put in AWP, if that's the question you're going for, we would only have that light light blue available and it would be redirecting water, which I think is a really important point because we take that water and we because we take that water and we save it and it would take it and direct

potable reuse in the AWP plan. It gives us access to water, but it doesn't add acre feet. If we use the sixth pump back. Right here. If we add the sixth pump station. Back and take back some of the water that we own and then we would in the top blue, the darker blue on the very top, that's the water we would have to do additional recharge or to or to store.

[Time: 02:17:55]

Councilman Graham: So, when you're with your cost per acre foot at the end, are you because if you did the if we did the sixth pump back, that would be kind of a requisite, a necessary cost. So your cost per acre foot, does that include incorporate the sixth?

Thyra Ryden-Diaz: Honorable Mayor, members of Council, Councilman Graham, it does. And we actually and we also I'm sure you will appreciate we accelerated that to the my point of the construction. There is a different term here, engineering economy, use total present worth, accountants use and value.

Councilman Graham: A different way to geek out.

Thyra Ryden-Diaz: Whatever floats your boat. For sure. So, this is, it's one more slide, actually, this is just the so yes, so here it is. So, the six pump back with the smaller facility, the 4MGD, it has the AWT to AWP, that's at $231 million and then go to a larger plant is that difference of that $30 million there and you get a little bit of an economy of scale there on your dollars per acre foot.

Councilman Graham: Now, what just for the audience, and kind of the public what do we buy per acre foot? What do we pay per acre foot from SRP and CAP? Just approximately.

Thyra Ryden-Diaz: I'm at like $400 in my in my head, right now, but that could change.

Councilman Graham: So, CAP we pay $400 an acre foot. And so, SRP, do you have an approximation?

Thyra Ryden-Diaz: Jill, do you know that answer? Honorable Mayor, members of Council, Councilman Graham, Jill is telling me that CAP is hundreds of dollars and SRP is tens of dollars relatively speaking.

Councilman Graham: Hundreds of dollars, so cost per acre foot for CAP is $350, $400 and SRP water per acre foot $50, $100? We need to get more SRP water, don't we? Like now.

Thyra Ryden-Diaz: Well, honorable Mayor, members of Council, and Congressman Graham, unless you had farmland that you farmed 50 or 60 years ago, it's probably not going to happen.

Councilman Graham: I know, we need to be aggressive to strengthen our water portfolio and make sure that we got to stay ahead of this water curve. We are paying $50 to $100 for SRP and $350 to $400 for CAP. And advanced water treatment to the CAP canal. $1,700 per acre foot. If we did the 1,800-acre feet per year, advanced water purification at water campus, you know, $9,000 per acre foot, $7,000

you're getting pretty high there. And so, I mean residents deserve the full picture and what the actual the cost reality is. I think that we could go out and buy I think we were doing that. I think we recently bought bun what did we pay per acre foot in the Harquahala Valley?

Thyra Ryden-Diaz: Honorable Mayor, members of Council. It was $550 for acre foot what we purchased the Harquahala.

Councilman Graham: And so, to do this would be $7,000, $8,000, $9,000 per acre foot. We're just going to be aggressive and we're going to do what we need to do to secure our water, every step of the way. The water is not something that you pinch pennies on. I think we all agree on that up here. But we also just need to look at the cost reality. And it was said up here, source doesn't matter, treatment matters and I think residents and taxpayers would say we can't totally ill nor costs. Those are some ignore costs. Those are some of my questions. This is a great discussion, very timely. I'm impressed with your staff, and I'm impressed with the research, and I had a few notes, and I will give my colleagues a chance to ask more questions and I want to hear from them. Thank you.

Mayor Borowsky: City manager you would like to say something.

[Time: 02:22:55]

City Manager Greg Caton: Thank you, Madam Mayor. While we were on this chart, I wanted to address a little bit of time frame that was brought up. In the spring of 2025, as we were going through the budget development process, this project, particularly I will have you focus on the one that says 164, and we deal with large numbers, just for the edification, that's $164 million. And in the spring of 2025 what occurred was ADEQ had modified the rules and this budget had this capital project had significantly changed and the Budget Review Commission said you might want to really take a look at that. It had been estimated probably around 15 to 20 million, what we had earlier estimated some previous staff that we would take the existing water that they were piloting and testing and the new rules and again to the Budget Review Commission, you might want to take another look at that. Some earlier estimates were in the range of $67 million. So, we have already moved from $15 million, $20 million to $67 million. And we haven't even started the project, mind you.

So, to the great credit of Carollo, we brought them on board, and they have done extensive work from the phenomenal presentation of tonight. Now we're at $164 million and then we said, you know, that's a cap ex. What's this gonna look like on an op ex and this had never been discussed. We talked this evening about the test. They hadn't even designed the test 18 months ago, of course. That factored in some of the operational costs that we have at either $6 or $7 million for spending on the plant. The larger of $10 million. There had been discussed $20 million or excuse me 20MGD gallons per day and we can't generate that enough to fulfill that. So, the $164 million is based on 10 million-gallon a day plant and then, of course it doesn't yield that much because the chart that was shown previously. So, you see that's one of the highest next to the one right above it on the acre foot per cost.

And so, I just wanted to point out some of that timeline and what we wanted to bring back to Council

was a menu of options of how we move forward, before we move forward at all, quite frankly. So, you could understand those costs. And this was just on the heels of a project, a sewer project that we had estimated at $12 million and it turned out to be $70 million while we were finishing up that project. So, we didn't want to return to that type of budgeting and so we took the time and extensive work by our outside consultants and staff.

The other thing I might mention is the sixth pump back coming into favor through this discussion and also just I will end with the financials that were issued just late this afternoon from the city treasurer at the request of a Councilmember, and what I would note on this is although it appears the combined reserves are much lower than the previous year, what we have budgeted in the current fiscal year is $330 million worth of capital projects not for water and wastewater, for water. $330 million, and what I will tell you is that production-wise, we don't achieve anything over $100 million just with staffing and consultants and working through procurement. So, we have overbudgeted, if you will, and that has occurred in previous years as well. We are looking to refine that, but that's why you see from this chart that we have had a significant reserve and then it kind of rolls because we don't complete those capital projects.

So, what I would really point out in this sheet that was distributed, is we have the largest projected expenditures for the capital improvements of $160 million of this just being transferred. There's actual and preliminary at approximately $40 million. So 4x, 4x is what we have here compared. So, I think that is a more of a full picture for Council's consideration. Thank you, Madam Mayor, for the time.

Mayor Borowsky: Thank you. Councilwoman Littlefield.

[Time: 02:27:28]

Councilwoman Littlefield: Thank you, Mayor and thank you for this really, really terrific presentation. I think we all up here appreciate it very much. I did have one question, however. If you will go back to slide 34.

Councilman Graham: Just one question?

Councilwoman Littlefield: One question at the moment.

Councilman Graham: Until the next question.

Councilwoman Littlefield: Until the next question, yes. Okay. You said on this slide, this bills, the current treatment, the AWP. I would like to know the GAC is what you're saying is where we are and what we need to do next. Could you go through that in detail a lit bit for me and explain it specifically as to what we would be doing and what would be the cost.

Thyra Ryden-Diaz: Certainly, honorable Mayor, members of Council, and Councilwoman Littlefield and, again, happy birthday.

Councilwoman Littlefield: Thank you.

Thyra Ryden-Diaz: So, this slide, AWP this is a multibarrier treatment this is our AWT and that's what the golf courses came together in 2007, and we designed in 2008 to 2010, and so that's and then we built it well, anyway, in the early '10s. So that's all of the area in the white, and just the UV portion. That's why we have little white dashed line that comes down where you see the little lightning bolt. That's our little UV. It's a disinfection process and so literally through UV lights there's these tubes of light that it goes through and it blows things up and like layman's terms. So, the water right now. It comes through the RO and that RO is what people have in their houses underneath their sink. And so that reverse osmosis process, and that UF is ultra filtration and so it goes through all of these processes and then it goes through our U.V. and then that was where the water that was at our little testing facility that we had a permit that expired in late '24, beginning of '25. And that's where people you saw people drink the water from, it came from the outside, at the UV.

To move to the AWP process, we would still use all the items in white. We would just need to change out that UV and make it a UVAOP kind of machine and then we would have some additional finishing at the end, either through the GAC, and then kind of finish stabilizing the post RO water. So just a couple of processes at the end so changing again, changing that UV to UVAOP, it's an advanced oxidation process. It's a whole different contraption and contraption is right. Yeah, well. And then we would just need that GAC. A couple of finish items on the end of our current process, and then it's changing out from AWT to AWP, and other finishing processes at the end.

Councilwoman Littlefield: Do you have any idea on the cost of doing that?

[Time: 02:31:01]

Thyra Ryden-Diaz: We did go through the cost. We costed this out with doing this water without additional wastewater. So just for the couple of months per year instead of recharging direct potable reuse. So again, no net gain and then we did cost it out by adding that sixth pump back and either doing this at two different plant sizes. So, we did have that cost. Would you like me to bring those costs back up?

Councilwoman Littlefield: Mm-hmm.

Thyra Ryden-Diaz: Sure.

Councilwoman Littlefield: It sounds to me like this is the next step that we need to be taking to move forward and I'm just trying to make sure I'm right.

Thyra Ryden-Diaz: So honorable Mayor, members of Council, Councilwoman Littlefield, I did in my recommendations suggest in this point until the ADEQ rules are finalized that we just change out that one piece of equipment. It gives us flexibility and options, and we can pay for it and all the costs are accelerated to the midpoint of construction. So, they're more expensive. We could kind ever just do that

one piece now and that would give us flexibility going forward if we add the additional finishing processes or not. I don't have all the numbers memorized because they were Carollo slides.

Councilwoman Littlefield: They probably changed. That's okay. I would suggest that that would be the step forward that we take.

Thyra Ryden-Diaz: It's slide number 39.

Councilwoman Littlefield: Because it looks like the next thing we need to do.

Thyra Ryden-Diaz: So honorable Mayor, members of Council, Councilwoman Littlefield, I don't just have the UVAOP option in here. There were so many things in here we didn't cost it out separately and that's really a policy decision but we're happy to come back and bring about what those costs are.

Councilwoman Littlefield: Thank you.

Mayor Borowsky: Councilwoman Dubauskas.

[Time: 02:32:56]

Councilwoman Dubauskas: Thank you. First, I would like to thank Mr. Tack and Kobrick or coming to speak with us tonight. I agree that we have a great team and they are providing a high-level of expertise for us tonight. So, thank you for that. And then also, I appreciate the comment about collaborating with other cities. It does seem that we are very successfully working with other cities.

So, I'd like to talk about the presentation tonight. On page 5, you talked about 141,000-acre feet. Can we take a look at that? Page 5. Slide 5. So, this is 141,000-acre feet and that is our assured water supply. So that our total water portfolio that we have in one year.

Thyra Ryden-Diaz: Honorable Mayor and members of Council, Councilwoman Dubauskas, that's correct.

Councilwoman Dubauskas: Do we have 141,000-acre feet year after year or is that a one-time number.

Thyra Ryden-Diaz: That's year after year, for a ten-year period.

Councilwoman Dubauskas: We have 141,000-acre feet times 10 over the course of ten years water available to us.

Thyra Ryden-Diaz: Correct.

Councilwoman Dubauskas: So, we are currently using, you rounded up to 90,000-acre feet per year.

Thyra Ryden-Diaz: Honorable Mayor, members of Council, Councilwoman Dubauskas, that is a

clarification, yes, that's what we distribute but that's not what we use because the potable water we use is the 82,000 number. That's really different. It's sometimes on some of the reporting both with ADEQ and the Arizona Department of Water Resources and some the information you have, sometimes that gets added in and that's where some people think we have the wrong numbers and you have to make sure that you have the right amount. So that's what we distribute. Sometimes the state number also shows what we store. But that's savings. That's not so that's where some of the discrepancies come when people look at it. You have to be there's statistics, you know right. That one.

[Time: 02:35:20]

Councilwoman Dubauskas: Yes.

Thyra Ryden-Diaz: So, you have to be very careful so that is correct. If you go one more slide over, to slide number six, this clarifies it. So, the total potable water, drinking water that we delivered was 8,200-acre feet. So, the what we actually distributed and sent out also includes the reclaimed water and that's where we get the 90,000 number.

Councilwoman Dubauskas: Okay. So, whether you are taking 90,000 or 82,000, we have 50,000 or 60,000-acre feet of water per year over the course of ten years that we aren't utilizing, is that…

Thyra Ryden-Diaz: Honorable Mayor, members of Council, Councilwoman Dubauskas, that's correct.

Councilwoman Dubauskas: We have a lot of water! Is that what you're saying here? It sure that's what it looks like. It looks like you're saying we have a lot of water in our portfolio for the next ten years.

Thyra Ryden-Diaz: Honorable Mayor and members of Council, Councilwoman Dubuaskas, I'm an engineer, I just report the numbers, so if you think it's a lot, I'll go with that.

Councilwoman Dubauskas: Yeah, that seems like a lot of our taps are not running dry. Okay so then we talked about a 17% reduction in CAP water. Can we go to that slide which might be slide nine.

Thyra Ryden-Diaz: One more. One more. There we go.

Councilwoman Dubauskas: 17%. So, if we had a 17% reduction, then that would be it would be 18,000ish acre feet that we reduced from our CAP allocation but we just said that we had 50, 60,000-acre feet more per year that we use, let alone we use 63,000-acre feet of what CAP delivers to us. So, one of the comments that was made earlier tonight, and I think is a fair thing to point out, is that we sure use a lot of CAP water. We seem very reliant on CAP water. Can you explain why we use so much CAP water specifically?

Thyra Ryden-Diaz: Sure. Honorable Mayor and members of Council, Councilwoman Dubauskas so our CAP allocation of that 8,100-acre feet, we are required to put every drop to beneficial use. So, we're not able to not use it. So, we either have to use it and utilize it. So, it is really a first in, first out. We got to

use that water first. We are either using that to treat and distribute, or we are taking that water and recharging that. We use that water first, I'm glad you bring that up.That's a point where you are so reliant but the reality is we have to use that water. We legally have to use that water.

Councilwoman Dubauskas: And that allows us to save the other water sources that we have. That may be the 50 or 60,000-acre feet is invisible to people because it's being used and saved in different ways.

Thyra Ryden-Diaz: Correct.

Councilwoman Dubauskas: Interesting. So, this 17% reduction, that would mean that we would have no effect on our usage of the CAP water because we are using less than that 17% reduction.

[Time: 02:38:55]

Thyra Ryden-Diaz: So honorable Mayor, and members of Council, Councilwoman Dubauskas, that is correct, we will save less and we will put less in our savings account.

Councilwoman Dubauskas: Sure.

Thyra Ryden-Diaz: But we won't have to go to any alternative plans to make up any difference in CAP water, you are correct.

Councilwoman Dubauskas: How did you come up with the 17% reduction. Where does that number come from?

Thyra Ryden-Diaz: So honorable Mayor, Councilmembers, Councilwoman Dubuaskas, that's from the mind of our from Jill Brumand. We have M&I supplies which is the municipal and industrial supplies and that has a certain rate and depending on what our combination is. So, like everything, it's a big, long math spreadsheet. That's what we estimated. We won't know until CAP comes back and tell us. We also have Indian priority water that has different rates so it's very complicated. I'm happy to have Jill answer a more in-depth question on the water accounting, it's fascinating.

Councilwoman Dubauskas: I would be interested in what level of confidence do we have in the 17? What is the potential for 40? You know, what are your thoughts there.

Jill Brumand: Good question. So, Mayor and members of the City Council, what we have been told by by CAP, they have communicated with us, based on the lower basin proposal they have estimated for each different priority of water. As part of that assessment, they're also looking internally at levers that they can adjust for the upcoming calendar year. So, when we're looking at our portfolio, and I I wish we also had a slide of all of our different priorities, we're assessing the numbers they have provided. So, you have probably heard things about the 20% reduction to M&I supplies CAP has communicate that may be 14% because our portfolio incorporates more than just the municipal priority of water. There's implications to some of those reductions. So, we have been told on is the best available information that

those reductions then would impact us, volumetrically about 17%. They're currently in the process. We submitted our water order as of prior to October 1st as we have to do every year and they're currently assessing. They have if you think our portfolio is complicated. They have tribal leases and all kinds of other things that they have to look at all of those different pools of water. So, they're going to provide us more insight ultimately on what we need to reorder. We're going to have to provide a revised order and at that point, we'll have a much firmer number for what '27 will bring us. So, this is the best available that we have available.

Councilwoman Dubauskas: So, the calendar year is October 1 to September 30th.

Jill Brumand: So honorable Mayor, Councilmembers, Councilwoman Dubuaskas, yes. So, we have fiscal years we have water years and we have all kinds of others. So, we have to the water year starts October 1st. We put in our water orders but they go into effect technically on January 1, 2027

[Time: 02:42:12]

Councilwoman Dubauskas: So, we are continuing to operate on our order?

Jill Brumand: Yes, what we put in previously for '26, we are currently working through that order as we present it to CAP last year.

Councilwoman Dubauskas: And so, then we are expecting 17% reduction starting on January 1?

Jill Bruman: Honorable player, members of the Council, Councilwoman Dubauskas, yes, that is correct.

Councilwoman Dubauskas: And would that be a one-year allocation, or are we expecting that to be more than one year?

Jill Brumand: So, for the lower basin proposal, that would be in effect potentially two years. CAP is going to have to assess every year what that means relative to some of the other levers that are part of that plan. So, there's elevations at Lake Mead or Lake Powell that may require some additional reconsultation with states and partners across the basin. So, there's' possibility depending on hydrology too that that dynamic may change outside of the framework requirements.

Councilwoman Dubauskas: So, my bad math. Let's do the math, 81,000 minus 67,000. So that's 14,000 cut?

Jill Brumand: Correct.

Councilwoman Dubauskas: So, it's 14,000 cut, we have 141,000 per year. So, 141,000 minus 14, so we're still in the up 127,000-acre feet per year that's available to the city of Scottsdale for use. And we use 82,000; is that…

Jill Brumand: For our portfolio, there are implications that that 141,000 is groundwater supplies and so we typically operate in the surface water space because that's renewable and we're able to use that annually. As the current drought plan stipulates, the volumetric impact may have implications on what that looks like depending on what the Council decides on those volumes.

Councilwoman Dubauskas: Okay. Thank you. Some of these may be items that you covered, Jill. So it may be good that you stayed up. So, we talked a little bit about the water smart and those meters and that they're available for 75% of the homes, is that what you said?

[Time: 02:44:39]

Jill Brumand: Honorable Mayor and members of Council, Councilwoman Dubuaskas: Yes, that is correct. We are automated metering structure. There's a device that goes on to the meters that has a collector and repeater setup. So that the hourly usage data that is collected in the water meter is then able to be sent to the portal digitally to assess water use.

Councilwoman Dubauskas: Is there a reason why some homes don't have them yet.

Jill Brumand: We're currently working through that process in the northern parts of our city we have to deploy that technology with cellular and that's a different dynamic with a lot of the infrastructure is put on telephone poles or light poles or other things that are less available in northern parts of our city and so we have to work through what that rollout looks like with our operations team.

Councilwoman Dubauskas: The leak detection and prevention is incredibly impressive. I'm excited for the rollout. It's an incredibly permissive product. I'm excited about the 2027 regional messaging campaign on water conservation. I think that's a wonderful idea. I remember seeing tv commercials turn the tap off when you brush your teeth and things like that. That would be wonderful if those types of things to return. I think some people work in Phoenix and live in Scottsdale or work in Scottsdale and live in Phoenix. I think that's good for the regional. I think the swap program is wonderful. It has an opportunity for us to collaborate as Mr. Kobrick recommended and so these are great opportunities for collaboration. And I really like the outdoor efficiency inspections. I think was wonderful. 1 million gallons saved in a year, that’s great. Some social media and some hey, we'll come inspect your home for free and all that kind of stuff. I think that could be really useful. So that's a wow. These are wonderful programs that I'm glad that we're talking about it tonight so that the residents have an opportunity to learn about it. You are doing incredible work. Thank you for that.

The water efficiency assistance on slide 19. We had a presentation, think I in the last Council meeting or maybe the meeting before where we talked about some of our large water users and I think four of the six largest water users were apartment complexes. So, do we do that as well for apartment complexes or is it just HOA and commercial facilities?

Jill Brumand: Honorable Mayor, members of the Council, Councilwoman Dubauskas, it's available for any commercial entity. The dynamic with apartments or with condos is a little bit different. We would do

common area spaces but we don't go into any individual units or homes.

Councilwoman Dubauskas: Gotcha. I think that's great. Can we look at slide 24? The estimate for the 32 million, I just wanted to confirm that are we paying that or that's in the partnership with the IWDS?

Thyra Ryden-Diaz: Honorable Mayor, members of Council, Councilwoman Dubauskas, that estimate and that's with the partnership with the AWDS, so they are praying for that.

Councilwoman Dubauskas: So they are paying for, that the 15,000-acre feet that we purchased, that is going to come through that the infrastructure that's created I'm sorry, I'm saying this wrong.

[Time: 02:48:47]

Thyra Ryden-Diaz: Do you want me to try? You can correct me along the way.

Councilwoman Dubauskas: Okay.

Thyra Ryden-Diaz: So, we're building the pumps and then the pipeline. And then the turnout to the to the CAP canal.

Councilwoman Dubauskas: Yes.

Thyra Ryden-Diaz: And so the 15,000-acre feet of long-term storage whenever we wanted to go through that, it would go through the same pipeline conveyance, and we don't need to increase the pipe size or anything like that. We could take the off periods of time when it didn't come in the other 3,800-acre feet. I wanted to look at that because we didn't want to upsize later.

Councilwoman Dubauskas: That’s wonderful. It's a great collaboration this. I appreciate that we're able to do that. On booster pump station number 10 I don't have the slide number. They should be nextish. So, this seems like this is a bird in the hand. We were just talking about the but this is a discussion, the pump back, these are call discussions that are currently in our portfolios that we could use better. And it feels to me like we're doing a wonderful job in the north and using that water for the golf but we can you have identified used that there's opportunities for us to do a little bit more, a little bit better and it's not even little, actually, it's a lot. So, between pump station 10 and the sixth pump back station, what is the total acre feet per year? I think it was in the 6,000-acre feet per year range.

Thyra Ryden-Diaz: Honorable Mayor, members of Council, Councilwoman Dubauskas, we get an additional will look at Carollo, 8 MGD a day. I think we have that on this slide.

Greg Caton: If I can help, it's 3,000 sorry, Madam Mayor, if I may.

Mayor Borowsky: Please.

Thyra Ryden-Diaz: We have 3,000-acre feet on the NCS and then and then the booster pump station is 10 mgd per year.

Greg Caton: And then you have the 3,000 and the 3600 when we discussed in detail and then you add in the 3900-acre feet for the Harquahala, it gets approximately 10,500-acre feet.

Councilwoman Dubauskas: And we're looking at a loss of 14,000 from the CAP. So…

Greg Caton: And then when you mix in yeah.

Councilwoman Dubauskas: Yeah.

Greg Caton: Well, we're not even using all that CAP on top of that, and we don't use all the groundwater. And that gets mixed in.

[Time: 02:51:56]

Councilwoman Dubauskas: Wow, so, there is a lot of water opportunity in Scottsdale. This is wonderful. Thank you for uncovering this. And sharing it with us today. One of the questions I want to ask might be a legal question for our city attorney. It's related to the SROG for the sixth pump back station. So, we have any obligations to send the water to the SROG?

Luis Santaella: Honorable Mayor and members of the Council, I will have my water attorney answer the questions. Honorable Mayor, members of Council, Councilwoman Dubauskas,that's something I'm currently reviewing and we will get a memo to you on that.

Councilwoman Dubauskas: Thank you very much.

Thyra Ryden-Diaz: And just to add in on that, just to relieve some fear, the amount of water that we have looked at for the pump station. Back is not water that we would have to send to them. So…

Councilwoman Dubauskas: So that's even more.

Thyra Ryden-Diaz: So, we can we believe we can get that 3,600-acre feet without impacting our SROG environment.

Councilwoman Dubauskas: And your memo, are you looking at canceling SROG entirely or could we pull back on some. Are you going to look at all of those options?

Thyra Ryden-Diaz: So, Honorable Mayor, members of Council, Councilwoman Dubauskas, it's to make a clarifying point on SROG, we actually do need to send some stuff to SROG because we have water that we can't recycle anymore we have a requirement to send some to SROG but we are investigating how much we can pull back.

Councilwoman Dubauskas: So, the sixth pump station. Back, it could have more water coming through, which would then obviously reduce the price, the cost per acre feet if we have more water that we're even going to bring in through there as well. So that could make it more efficient.

[Time: 02:53:54]

Thyra Ryden-Diaz: Honorable Mayor and members of Council, Councilwoman Dubauskas, I think we are really like, I'm an engineering glass half a class of water and not half full and half empty. So, I think we're probably really in that 3 to 4,000-acre foot range. Now, there are other opportunities. We have bonded very little in the water department to go look in the bigger sewer area to c llect. This is a smaller project, but we could expand that to add more water like you're suggesting.

Councilwoman Dubauskas: That's interesting. That's interesting. More sewer.

Thyra Ryden-Diaz: Well, more collection towards the pump back. This one is like the easy button amount of water that we could get quickly but we could expand that footprint.

Councilwoman Dubauskas: Oh, that's fantastic. Okay. Slide 32. So, this slide shows us what is available for AWP. And so, what we were just talking about with the pump back stations and the NCS, then there is another slide that adds a bar on top of it, but so that slide is maybe, 35, 34. This slide, does that take into account the 17% reduction from CAP?

Thyra Ryden-Diaz: Honorable Mayor and members of Council this has something nothing do it with the oversupply. This is new water. This is not about our distribution. This is just about what we have. So, it doesn't have any issues with the CAP supply. This is the recycle water that's coming in. So, the purple is what we distribute right now to the golf courses and then the slight blue is what we have with AWP should we choose that option. And so, it would just be a different use. It wouldn't be new water and then the top blue, the darker blue on the very top, is what additional water that we would have for either indirect possible reuse or AWP should we use the sixth pump back.

Councilwoman Dubauskas: Or for saving.

Thyra Ryden-Diaz: Correct, we could use that additional we could use the light blue that we pump in the ground and save. We could pump into the ground and save that top blue layer if we had the sixth pump back. You're correct.

Councilwoman Dubauskas: So, we're looking at about 6,000-acre feet that would be able to be reused or saved, it would just give us flexibility in our portfolio.

Thyra Ryden-Diaz: Eric, is it 6,000-acre feet total? Does that subtract out the water that's going to RWDS?

Eric McLeskey: Yes, it doesn't count for That's total yield.

Thyra Ryden-Diaz: Honorable Mayor, members of Council, Councilwoman Dubauskas, so that's the total yield for AWP. So, it doesn't subtract out really, it's the bars. So, it's like we would need the if we did a 10mgd facility, we wouldn't be getting that 10 unless we had the sixth pump back. That's an important clarification because everyone thought we had the ten with the AWP all along and that's where the numbers worked out but we didn't have the ten. So, we won't have the four a couple months of the year. So, we would have to look at our RWDS agreements.

Councilwoman Dubauskas: Okay, can we go back to 32. August is our highest water use month of the year, but that all summer long we really don't have any water available for AWP. We just it just isn't there because why? Why is August our highest used month? You would think people are gone and we kind of slow down a little bit in the summer. Can you help understand.

Thyra Ryden-Diaz: Sure, honorable Mayor and members of Council, Councilwoman Dubauskas, so my theory and Jill can pop in. There's a lot of outdoor water use and that's the time when the golf courses are watering more and keeping their grass alive. And so, l so even though you feel like everyone is gone, everyone keeps their irrigation on. We go out and our plants are sad looking, and we hope to get them back and replace them in the fall. It's outdoor water use. Things look bad and they are using more water outside and then we don't have the recycled water because they are not taking showers or washing hands and we're not getting water back into our system for use. So it's a lot of outdoing and not incoming in August and when we use water outside, we don't get it back.

[Time: 02:59:27]

Councilwoman Dubauskas: So, this conservation messaging is important, the plants and whatnot in the summer. Our golf courses, I live in DC Ranch, we're currently watching the golf course undergo a complete renovation. They have torn out the turf. They have done they are talking about the new grass they are putting in and their effort to really use low water use grass and it's important that we are a good deal. Can we look at slide 37 please. So, I wanted to ask you about these timelines because we don't have years here. So, you did talk earlier Bartlett Dam being 20 years out and that's really far. That's our far-out kind of timeline. So can you walk us through these and, you know, just give sort of an estimate of when you think those dates potentially are.

Thyra Ryden-Diaz: So honorable Mayor, members of the Council, Councilwoman Dubauskas, so I did that on purpose. It's not empirical yet until you make some decisions or provide some direction. So, the NCS water use is easy. We can do that. We can put it in our capital plan and start designing it now with other capital funds that we have and that one is actually pretty fast and it's easy and changing the pups out and up pumps out and the sixth pump back, it's a little bit more work and we have to find a parcel for it. We have kind of an idea and then the design in that, and so that's probably that's probably a three-year time frame, maybe four, maybe five. We would like to bond that project going forward because it's a big project and we could utilize our cash better that way.

And then the AWT, the canal, that's really kind of a regulatory question but also building the pipeline, but what is important on this AWT water to CAP canal and it goes into swap program and the reality is

that cities and municipalities and towns we all have these receiving places off the CAP and that becomes everyone's party to distribute. So, the ability to work with BOR and the cap that the CAP is a super highway of water, versus just Colorado River water is really important. That's going forward. That's not treating it like 1992. That's talking about 2042, right which is where we're at, 2042, we're not even complete with the Bartlett Dam yet. It should be a little bit farther over, because that AWP at the water campus could be closer to the beginning of that long-term and Bartlett Dam is farther out. There is a big span in there. We didn't we didn't scale it.

Councilwoman Dubauskas: Okay. Okay. And where were you at with the AWP?

Thyra Ryden-Diaz: Honorable Mayor, members of Council, Councilwoman Dubauskas, so we could change out the UVAOP, we could do that in the two or three-year time frame. I don't know the lead time on that piece of equipment, but the AWT if we want to AWP if we want to that full, we are probably in the three to five-year time frame and most of that has to do with the regulatory requirements and the ADEQ and it’s not the construction.

[Time: 03:03:10]

Councilwoman Dubauskas: Right and you submitted comments yesterday?

Thyra Ryden-Diaz: Yes, we did.

Councilwoman Dubauskas: Fingers crossed.

Thyra Ryden-Diaz: Yes, we'll see.

Councilwoman Dubauskas: Can we take a look at slide 39. I was a little bit surprised by the cost. I think this was kind of eye popping these big numbers, they're acre foot costs. But I understand that these are plans and it's you know, it's a very expensive process and we have been talking about hundreds of millions of dollars, but some of these per acre foot costs are are real surprising. Staggering is the word, yeah. These are some really surprising costs especially when you're looking at the AWP numbers. Those are those are really something else. I appreciate that the sixth pump station. Back is also a large number, but as we're talking and it sounds like there might be more opportunities to use it, and bring that cost down, then that makes that more attractive and it's it's all this burden in the hand opportunity to really squeeze every last drop. You will use ever pun I can think of to take advantage of the water that we do have. So, we have done such a great job recycling the water and using it on the golf courses so I appreciate that it's a little bit more difficult to keep finding those opportunities and so that you have found some that are sort of easy to get to is excellent.

So but I think we should mark that these are enormous numbers. These are these are beyond a commitment, you know, we have opportunities to to acquire water and to do more things and to work through conservation and other efforts that could really have an impact. So, I'm I'm hesitant to be excited about those kinds of numbers.

But what I what I really got out of this presentation is that we have a lot of water in Scottsdale. You have really shown us that and you have shown us some flexibility. You have shown us that -that our water department is innovative. Using fresh eyes to find these opportunities and really incorporate them into the planning and just being really thoughtful about it and I really appreciate your work on this. Thank you very much.

Thyra Ryden-Diaz: Thank you.

Mayor Borowsky: Councilwoman Whitehead.

[Time: 03:05:30]

Councilwoman Whitehead: So, I do want to clarify something. I appreciate these remarks. There's a huge big difference between legal water and real water. And so, it's easy for us to talk about water that the city of Scottsdale or Arizona is entitled to, but mother nature doesn't really care. And so, the reality on the ground, I would love to be swimming in all that water we just talked about. But there are real discussions today about draining Lake Powell to save Lake Mead. This isn't something that's ever happened since Lake Mead was formed. And I want to talk about why we have the cuts the very incredibly low cuts that we do have. We have those because California volunteered to take huge cuts and help Arizona. So, the cuts we would be seeing this year could have been much worse. But thanks to that and thanks to the federal government for accepting the lower basin plan. So, what we have is a best-case scenario and in my the way I view it is it's like it's a gift. A gift saying you have two years to get serious about the reality. It kind of reminds me of the saying that pilots are taught when they're first learning to fly, if the ground and the map disagree, the ground is right. That's where we're at today. The ground is right. And so, we have a very real opportunity, and we better not blow it because legal water doesn't come out of faucets.

I also want to talk about the pricing because according to the Arizona Municipal Water Users Association, advanced water purification is the premier large-scale solution for secure and the most cost effective water supply that we have. And so I this is just a this just a start but these numbers don't jive with anything that's I'm reading throughout the state and from other water municipalities and so we got to dig a little deeper, because it has been established because our pure water for many reasons we don't have to move it and for us we already have most of the treatment done and it is and we don't have any federal laws preventing us from getting it. It's already ours. It's the most secure and it is the most cost-effective water solution. That's been what Councils have been told since we built the plant and that's why the city of Phoenix is building three such facilities.

But I just want to talk about apartments. You can hate an apartment. But there's not a single apartment that is one of the biggest water users in the city. The biggest water users. We do have a condo; I'm not naming names that uses a lot of water, I'm not naming names. We have resources. We have our golf courses and hospitals and then the collect live of all the single-family homes. Again and again, we have heard that outdoor water is gone forever, indoor water is valuable. That's what we bring back into the system and back into the system. So, apartments, they use indoor water but we recycle that and they

use a tiny fraction of the outdoor water that you would use in a single-family home. I want to give them a shout out for being good on that one front.

Yeah, this is a great start, but we have you know, again, we don't even know if we have two years. There are many water experts, including the top water guy in the state who is warning us that mother nature not even give us two years, but lord knows I'm pleased with the one-year reprieve that we have. That's why we have such a small amount of cuts. Thank you.

Mayor Borowsky: Councilwoman Dubauskas. What happened. I don't know what happens.

[Time: 03:10:02]

Councilwoman Dubauskas: Thank you, Madam Mayor. You know, Councilman Whitehead, I'm a little bit surprised. The election is over, the dire warnings are no longer needed. Our experts have just told us that we have a lot of water. We don't seem to be in a dire case, and so I don't think it's appropriate to be talking in in such strong language, especially when our water experts are telling us a different story and creating a picture of efficiency. This are creating a picture they are creating a picture of innovation and thoughtful ideas and an environment in our city which is what we are accustomed to, being at the top and being people would are thoughtful and thinking forward. Working together with our residents, working together with other cities we are leading in water and so to create a situation where we have dire predictions is not appropriate at this level.

One the things that was shown to us tonight is AWP is not the cheapest. It's not the best and by the way, there's not enough of it to fix the problem. So, what we have learned tonight is that we cannot rely on AWP. That's just not going to be the final solution, unless unless you want more of it by taking it from the golf industry. Is that what you're saying? Because our experts are saying we just don't have enough. I think we need to stop with the dire warnings, and we need to work with our city and we need to have a solution to be working closely with our residents and telling them the truth, telling them the honest truth. Thank you.

Mayor Borowsky: Councilman Graham.

[Time: 03:11:41]

Councilman Graham: Mayor, thank you. And thanks again, staff, for the clear and thorough presentation on where we actually stand with our water. You know, I never really take time to appraise my colleagues' comments. I want to thank Councilwoman Dubauskas, her questions and comments were some of the most clarifying and illuminating and elucidating that I have seen from the dais. They brought clarity to this incredibly important issue that others have used to try to, I would say, undermine security or confidence in our water professionals and our water conservation efforts. Leaders should calm fears with facts and not attempt to undermine confidence in what we have worked so hard for. This presentation shows straightforwardly that we have a diversified portfolio and strong conservation results and decades of experience, recycling and banking water. CAP reductions are real

and we plan for them. But the idea that as Councilwoman Dubauskas was saying to stoke some of these thoughts is not what we should be doing our residents deserve better than that.

I think we have got some I kind of talked about them earlier. I was proud of myself earlier talking about the costs, although I was just pointing out your work. It was very good work. We have easy win opportunities right in front of us, conservation, efficiency, leak detection, outdoor use, and tool as that tools that we know work. We need to pursue those aggressively and stay vigilant about our water security. We need to keep protecting our existing supply and we should not give away our project to the next give away our water to the next large project. Conserve it, recycle, it bank it. Protect it. I'm excited about what we discussed tonight and again I want to congratulate I want to comment on what I consider to be an elucidating role that Councilwoman Dubauskas played in this important crucial conversation. Thank you.

Mayor Borowsky: Councilwoman Littlefield.

[Time: 03:14:21]

Councilwoman Littlefield: Thank you, Mayor. I just had a quick question and all the talk about water brought it to my mind. I talked to Brian Biesemeyer a number of times while he was the director of Water resources here in Scottsdale. We was very active in trying to close down the individual wells, especially in south Scottsdale and central Scottsdale and put everybody on the overall water system that we have for the city. And I was wonder, do you see that as a problem? Is that an option that is still being looked at or are people being stalked to about moving off the individual wells and going to the city's system? Or no?

Thyra Ryden-Diaz: Honorable Mayor, members of Council, Councilwoman Littlefield, I actually haven't had any of those conversations. There are some entities that are on some private wells, some HOAs that have some private wells. So, we had some discussion with them. Some of it is there's some capital investment on their portion. I'm not aware of wells I'm not aware of individual wells that people are on in our service area but I'm happy to look at it and get back to you.

Councilwoman Littlefield: There are quite a few. I can tell you where some of them are, because I lived in a house with a well. But he was concerned because the water doesn't recycle back foot city's system. It just dissipates out.

Thyra Ryden-Diaz: So honorable Mayor, members of Council, Councilwoman Littlefield, so the well, like freshwater wells into the thing, so it's also we do have some homes that are not on sewer. And so we have looked at that just recently. I went and met with a homeowner and talked about their connection. They were having a difficulty and we have a couple other ones that we're looking at to do a little bit of some sewer improvements to bring the lines closer to them to connect because it's absolutely that gives us that wastewater that we could recycle and in areas where we already have a pump back to collect that. And so we are looking at that.

Councilwoman Littlefield: Okay. Thank you.

Mayor Borowsky: So, it looks like that's it. I want to point out and maybe ask for a clarification on this slide that we're looking at. This is not an apples-to-apples comparison with the price per square foot price per acre foot, excuse me. I mean, this is obviously the project costs which let's take this sixth pump back plus 2600AFY yield, $4,600 per acre feet. So, when you amortize that over 100 years of available water, I mean, do we have a price per acre foot over the course after the project cost? Because it sounds like we're mixing the two, the price per acre foot versus price per project.

[Time: 03:17:33]

Thyra Ryden-Diaz: So, I can clarify. Honor Mayor and members of Council so we did it in acre foot because, you know, the water department is the only city service where we provide a service to you that water that comes to you but we also buy a commodity. And so all that's kind of the talk with acre feet, we were trying to boil it down so everyone got it and we were not talking about in our distribution. We buy water in acre feet, and the water policy is in acre feet. This is the capital cost for invest. This is not the operating cost. So, if we take the easy one, the cost per acre foot is $600 to put it in but after that, there would just be the operating costs going forward. So, the same with the sixth pump back, it's $2,200 an acre foot. We were trying to put it in to understand what it cost to buy that as the commodity but then once we had paid those costs this would be operating costs with the AWP for sure, and we showed those operating costs. But, like the sixth pump back, we would have to have some additional staff because that would be an additional site. We may able to incorporate it. So, it's just trying to put it in the commodity pricing.

Mayor Borowsky: Okay, I wanted to point out that's not the price per acre foot that we would expect to pay or absorb this time 20 years from now.

Thyra Ryden-Diaz: No, not, every year.

Mayor Borowsky: Clearly, It's disproportionate.

Thyra Ryden-Diaz: You shouldn't be weighing $600 an acre foot for the next 100 years for the upgrades to booster pump station 10, we will pay it the one time for that acre foot to get it as a commodity and then go forward.

Mayor Borowsky: I wanted to make sure that was clarified. And the next thing I had to Jill, I want to ask you is the hot water recirc, I had an estimate from a plumber who has replaced the hot water re-circulators if you let one sink run for two minutes, you it's 3 gallons are lost, right, per minute. And so over a year, one sink, much less three sinks, the sink for two minutes is 1,100 gallons per year lost water, right, wasted water. And then to, it's 1,100. And then to put a hot water recirc is in your home is $1,100 coincidentally, oddly. I'm a big, huge supporter of that. I would love to see the city source or provide some sort of a rebate or cost sharing incentive to really make that.

I did the math, 73,000 homes in Scottsdale and that's 80,300,000 gallons of water gallons lost. And so, you know, 246-acre feet to put it in your language. I think that's' really big issue that we should be taking seriously. And it sounded like you had a little bit of experience previously with that and also before you comment on this, because I want to hear what you I have to say. The rainwater capture ordinance. I think we need to capture the rainwater. We have seen the storms over the last couple of weeks. If we had a highly effective rainwater recapture program, that would have been great.

Jill Brumand: Honorable Mayor, members of the City Council, if you would permit me, I actually have documentation at my seat with some information on historic numbers we have regarding our hot water recirc program.

Mayor Borowsky: Sure. Thanks.

[Time: 03:22:31]

Jill Brumand: Honorable Mayor, and members of the City Council, I'm glad you brought this up. This is one of the areas of water that is intuitive and touchable for all of our residents. If you are waiting for the shower to warm up or your sink to warm up, those are visceral gallons that you are watching go down the drain. We did actually offer a hot water recirc rebate from the years 2005 to 2016. We provided a total of 2,729 hot water recirculation rebates. They have a lifespan of 10 to 15 years. So, we have rebated these during the time of our program, we found and kind of similarly to some of those metrics that you have quantified an estimated yearly savings of about 2,723 gallons. As we have moved into even more efficient fixtures for our shower heads and rebating things like water sense devices. We are always looking for the most gallons saved per dollar spent on our programs. So, what we have done the assessments in the past, those gallons relative to something like our turf removal which has hundreds of thousands of gallons saved across I'm not sure if I can put it on the projector to have some of the workarounds.

I realize the font is a little small. Oh, thank you! That's a fancy little device! When we have looked historically these numbers we have prioritized programs that have greater savings but part of conservation is also the education component and as we get people engaged around their water use, you know there's savings associated with that as well. So, we would be bringing as part of the public engagement piece as we discuss different conservation or demand management strategies to provide some of this information to our residents. We want to get insight into how they use their water and what they how they feel connected to that water and so we will be incorporating some of that and if there's additional direction on assessing these numbers but I thought it was interesting to share real Scottsdale numbers compared to the REUWS, that's the residential enter use end uses of water study. There's since been an update to that study. And so these numbers reflected are from 2014, 2016. And there was another study released in June, but happy for additional direction and kind of what that looks like.

Mayor Borowsky: That's great. I think that's wonderful. I think that's a great way to go and as we close this out, thank you both for your presentation and, of course, Carollo, that was a great add as well.

I think we have direction, the UVAOP replacement is in the works. And the conservation plan. I like the idea of publicizing these things more widespread and savings, savings tips as well. So with that, I think I think good job. Thank you so much.

Thyra Ryden-Diaz: Thank you.

Mayor Borowsky: All right. Well, last but not least. What's that?

WORK STUDY – ITEM 2

Next, we have the we have Erin Perreault from Planning and Development Services. She's the senior director and Kevin Burke from Economic Development and Tourism Senior Director and they will lead a discussion regarding zoning ordinances applicable to data centers. Welcome.

[Time: 03:26:55]

Senior Director Planning and Development Service Erin Perreault: Thank you, Mayor. Good evening, honorable Mayor and members of the City Council. Per your request, we're here tonight to discuss data centers.

So, what is a data center? A data center is a facility that includes computer servers and I.T. equipment to store, process and transmit digital information continuously. The centers also include electrical infrastructure, cooling systems that are required, backup power that can be generators, batteries or sometimes substations on the site and telecommunications facilities. Data centers can range from relatively small facilities to large buildings or even multibuilding campuses.

In terms of different types of data centers, there are enterprise data centers that are really focused on operating primarily for one company's own technology needs. There are colocation facilities that provide space, power and connectivity to multiple customers. And then there's hyperscale facilities that we are seeing most talked about the most in the media. They are the very large facilities and again multibuilding campuses that are designed for substantial computing demand. Scale is the most important factor in evaluating the potential impacts to the city today.

In terms of data center, it's not a new land use in Scottsdale or otherwise but what is new is the scale and the intensity. That's why they are being talked about so much for the communities. This change in scale and intensity is primarily due to the rapid growth in A. I., cloud computing and other digital services demands. In terms of this change, in scale and intensity, it creates considerations for community beyond just land use and zoning now. It also creates capacity issues, public safety and long-term infrastructure needs to be considered. The change in scale is one reason we are starting to look at closer regulations of some of these facilities, especially the larger facilities. Water use is another consideration for communities, but not every data center is a large water user. It just depends on the facility, size and operations.

So what are communities considering nationally. They are really looking at there's no one model that we found. This err doing different things they are doing different things in different places. They are looking at land use and infrastructure and considering long-term consequences of some of these facilities, including possible decommissioning in the future or adaptive reuse of some of these sites.

[Time: 03:30:39]

What are Arizona communities considering? We took a look around locally. Again, there's no one model to solve a data center regulation. Some communities are continuing with their existing zoning as they have in place today, but others are taking a look at closer regulations depending on the size of the facilities. One common factor both nationally and locally in communities is that communities are taking a look when larger facilities are proposed at additional regulations.

So how do we regulate these data centers in Scottsdale? You won't find the term "data center" in our current ordinance. But you will find the broader terms of "data processing, hosting and related services." So, we do not define or regulate data centers specifically. It would fall under that broader category. And we don't currently, in our ordinance distinguish between sizes of the facilities.

So where are they permitted. They are permitted in the I.1 and I.G. zoning districts. These districts are primarily located in the Scottsdale Airpark. So, they are already kind of insulated from residential uses. In terms of regulation, they're permitted by right but that doesn't mean that they're not regulated. So, of course, they go through our zoning regulations or development review, building codes, fire codes and other applicable codes as well. There's no data center-specific conditional use permit in Scottsdale today.

In terms of the I.1 and I.G. compatibility standards we look at a lot of things with regard to anything built in I.1 and I.G. including data centers that is building open space, building height, lot coverage, mechanical equipment, screening and so forth. These standards, however, were not developed specifically to address large data centers at this time.

So, we have two data centers in Scottsdale currently. These two data centers have been in the community since 1999 and 2000. So, they are not new land uses for us. These two facilities are modest in terms of their size and utility use, compared to the hyper-scale that you are seeing played out in the media today. So, we don't have those hyperscale facilities in Scottsdale. These two facilities are generally experienced by our community similar to a large office use, warehouse or industrial use. And there's no new data center applications pending in Scottsdale right now. None of them are knocking on our door imminently.

In terms of some considerations, zoning is only part of the regulatory framework that we're looking at. Zoning can address and does address today location, setbacks and buffering, building design, equipment placement and noise-related site design, other things that other communities are looking at, particularly again with the large facilities are water and wastewater use, electrical use, emergency response because

of some of the fuel onsite for the generator backup and air quality and so forth.

And then finally, tonight's discussion is to obtain Council's feedback regarding regulations for data centers in Scottsdale. The city can continue on with the existing regulations and we can look at other regulation. Should Council decide with further regulation or have us at least explore that, we would of course understand what your policy issues are this evening and coordinate with other city departments and our outside utility partners and continue to look at what other communities are doing and then, of course, work with our legal team to figure out what we could or could not regulate that and bring it back to Council for consideration. Concludes my presentation and I'm happy to answer any questions that you have.

[Time: 03:35:28]

Mayor Borowsky: Thank you, Erin, for my convenience or sake, when I get to my questions, can you go back to the slide before this, please? Vice Mayor McAllen.

Vice Mayor McAllen: Thank you, Mayor. Thank you, Erin, for your presentation and for sitting through all of water to get to data centers. I'm going to actually ask you to go all the way back to I believe it's the second slide, and it lists what the four categories are. Maybe that's it. Right there. So, the two that exist and have existed in Scottsdale with no problem at all, since 1999, and no one would have ever known they were here, because they fall under a different definition. What do the two fall under? Where do you see them between those four terms? What are they called?

Erin Perrault: Honorable Mayor and members of the City Council, they would probably fall under the colocation. We believe they are serving more than just one particular technology need.

Vice Mayor McAllen: Okay. Thank you so much. It's one of those things that sounds big and scary and when we first decided to talk about this, I asked you and you said we have two and they have been here since 1999 and then you explained the definition is a little different. At this place and time, and no applications we should be proactive and define what would be best for our community by defining it other than this you know, what did you call them?

Erin Perrault: Hyper scale.

Vice Mayor McAllen: Yeah. Anyhow, thank you for your time. I wanted those clarifications. I appreciate it.

Mayor Borowsky: Councilwoman Dubauskas.

Councilwoman Dubauskas: Thank you. I actually wanted to ask Kevin Burke about the data centers. I understand that we have no applications. As you work in economic development, have you received any inquiries? Is anyone talking to you about data centers?

Economic Development & Tourism Senior Director Kevin Burke: Mayor, Councilmembers, Councilwoman Dubauskas, at present, we have not entertained any conversations from private sector developers expressing interest in developing what we refer to as large scale or hyper scale facilities in Scottsdale. Not yet.

Councilwoman Dubauskas: And in the conversation, the types of businesses that people are interested in, are you hearing anything about these medium-sized data centers? Is there any talk about data centers at all?

Kevin Burke: We have not had any conversations with potential data center developers or those who would be interested in constructing projects really of any size. I would say based on our experience and looking at the deal flow, the projects that have come to the region and statewide, there really aren't any new sort of smaller scale collocation facility being constructed. All of the momentum is towards the hyperscale and the scale of these projects, as Erin stated really clearly has changed significantly over the last decade. The ones we have existing in the community are 5 and 15 megawatts and now the smallest of the hyperscale data centers that are coming into the communities would be 200 megawatts and so 20x, what they were just a decade ago. And all of the associated facilities that are required for something of that scale are difficult to find in Scottsdale at this time, which I think helps to really significantly explain why the interest has been in other communities and not Scottsdale. Right, if you are going to build a facility that is going to have a 200-megawatt facility, you need more than what we have available.

Councilwoman Dubauskas: So, in your view, they're not coming to us because we're not the right fit for the type of data centers coming online today?

[Time: 03:39:38]

Kevin Burke: Mayor, Councilwoman Dubauskas, I think that's a fair way to put it. There's a myriad of factors that go into location factors for any type of corporate business. For data centers it's power, land, water and utilities. And on a bunch of those scores, you know, we have APS and SRP, both with their own capacity challenges due to increasing demand. Water use is a challenge and land availability, and particularly for our community, it sort of takes us out of the running for a lot of these large-scale projects. We simply don't have the site availability that some of the other communities across the region have to make that process of locating a large hyperscale facility something they would consider.

Councilwoman Dubauskas: When we were in Taiwan, the Mayor of Mesa, one of the things they talked about was they have several data centers, and he was promoting that they have five pads available for data centers in Mesa. It may be in addition to what we have available, that other cities are actively seeking data centers and and you're apparently not. So, data centers may be going where they are wanted in some sense as well.

Kevin Burke: I would agree with that statement.

Councilwoman Dubauskas: Okay. Thank you.

Mayor Borowsky: Councilwoman Whitehead.

[Time: 03:41:05]

Councilwoman Whitehead: Actually, that was a helpful question/answer. I think the fact that we don't have appropriate sites does minimize, you know, the chances of having these centers here in Scottsdale. But I guess, you know, the three concerns are the noise and the water usage and the energy demands. So, and I think with the Mayor's proposed large water ordinance, I think that's what we're looking at. There is there's one company that's looking at Scottsdale. I don't know what size data center or anything, it's years off. It just would being good for us to be educated on the different data centers and if possible to put with that, you know, those factors, like you know, would these exceed a noise level? Would they exceed the normal office power usage and have some education up here and for the public. It's data centers are an issue, nationally and statewide and it's not about ending data centers, but it's about making sure everything is balanced and, you know, the usage, but not a Scottsdale problem per se. Thank you.

Mayor Borowsky: Councilman Kwasman.

Councilman Kwasman: Can we all just admit that this is not an issue in Scottsdale and close this now? Now we are just grandstanding and wasting everyone’s time. I move to close this…

Mayor Borowsky: Actually, I would like to speak, please.

Councilman Kwasman: Okay. Let's talk about the issue that doesn’t exist.

Mayor Borowsky: I brought this forward.

Councilman Kwasman: I understand, it doesn't exist in Scottsdale.

[Time: 03:42:43]

Mayor Borowsky: Can you go to slide 11? It doesn't exist in Scottsdale yet, but it's incumbent upon us to look ahead and when a data center does decide to come apply, to to put in an application for a data center in a neighborhood, which I can think of one off the top of my head and we are all aware that there is a potential at for at least a data center. Every industrial zoned area could be one. I totally agree it's not the right community for it. However, looking at realistic requirements if and when one comes before us certainly does not offend me. I think that would be a wise thing to do in the event we see this use coming through.

So, I'm in favor of having our city attorney look at what is appropriate and is relied upon by other communities to put safeguards for our residents who might be exposed to an application in their

neighborhood. So, I don't know why we wouldn't do that.

Anyway, I would like to make a motion to direct the city attorney to come back with ideas about what makes sense for our city to enhance regulatory oversight, for example, with water recirculating, noise mitigation, safety requirements. That's what I would look for.

Vice Mayor McAllen: I will second that motion.

Mayor Borowsky: All right. I don't see any other comments. Let's go ahead and take a vote on that. Thank you both for your overview of this and we will look forward to what Luis has for us in the future. Thanks so much.

Kevin Burke: Thank you.

Mayor Borowsky: Time to get the cookies out. Alright that concludes our Regular Meeting this evening.

COUNCILMEMBER REPORTS

[Time: 03:45:22]

And Vice Mayor McAllen wants to say something.

Vice Mayor McAllen: This weekend, I would like to invite those watching those present here, we are having the city is not sponsoring it, however, there's the tenth annual Dia De Los Muertos Day event this Saturday that will happen on Civic Center mall and I'm looking forward to it so thank you.

Mayor Borowsky: All right, Councilwoman Littlefield.

Councilwoman Littlefield: Thank you. And I would just like to thank City Council and our staff for the lovely flowers that they gave me for my birthday. And the cookies too. Thank you.

Mayor Borowsky: Councilman Graham?

Councilman Graham: Mayor, thank you. I want to congratulate city staff for a very successful relocation, expansion of the Old Town farmer's market. Record attendance, record sales. There were so many sales the vendors ran out of inventory I hear. The site is working great, better than anybody expected. There's shade there's grass. There's places for people and families to sit and actually enjoy themselves, which is a change in the past, so I want to congratulate everybody. A lot of work went into that, and it gets overlooked very easily.

The second thing I want to mention, now that I want to promote there's so many things coming out especially with Halloween and fall festivals Eek at the Peak. We have done that Pinnacle Peak Park, North 102nd Way in North Scottsdale. Saturday, October 24, 9:00 A.M., they're going to have animals.

They're going to have live interactive, great for kids and just one of the features of our city that makes it so family friendly and tourism friendly, so I hope to see you there.

Mayor Borowsky: All right, I will add on that. It is great news with the farmers market and I think everyone up here was hugely in favor of the farmers market, finding an effective relocation and successful for their for everybody in town. That, of course, was never the issue. So, I'm glad to see they are succeeding. I haven't been yet but I'm looking forward to getting there. So, with that, I will move to adjourned.

Councilwoman Littlefield: So moved.

Mayor Borowsky: All right. We're done.

ADJOURNMENT

[Time: 03:47:54]