

***PLEASE NOTE: Since the Glendale City Council does not take formal action at the Workshops, Workshop minutes are not approved by the City Council.**



**MINUTES OF THE
GLENDALE CITY COUNCIL WORKSHOP SESSION
Council Chambers – Workshop Room
5850 West Glendale Avenue
December 15, 2009
1:30 p.m.**

PRESENT: Mayor Elaine M. Scruggs, Vice Mayor Manuel D. Martinez, and Councilmembers Joyce V. Clark, Steven E. Frate, David M. Goulet, Yvonne J. Knaack, and H. Phillip Lieberman

ALSO PRESENT: Ed Beasley, City Manager; Pam Kavanaugh, Assistant City Manager; Craig Tindall, City Attorney; and Pamela Hanna, City Clerk

1. SEWER SERVICE IN LOOP 303 CORRIDOR – 30 MINUTES

CITY STAFF PRESENTING THIS ITEM: Ken Reedy, Deputy City Manager and Leyton Woolf, Woolf Logistics Development

This is an opportunity for staff to provide City Council with a status report on discussions with an associated group of property owners regarding sewer service to lands located west and north of Luke Air Force Base, commonly referred to as the Loop 303 Corridor.

This update will allow Council to provide guidance on a possible Memorandum of Understanding (MOU) that would allow Global Water Resources, LLC, a private company, to provide sewer service to the Loop 303 Corridor.

One of Council's goals is to provide high quality services for citizens. Resolving the provision of water and sewer services are a key component to the development of lands in the Loop 303 Corridor.

Currently, the areas in the Loop 303 Corridor have no sewer service provider although it is designated as a Glendale service area in the Maricopa Association of Governments (MAG) Water Quality Management Plan (MAG 208 Plan). Over the years, Glendale has worked with various property owners and developers in the Loop 303 Corridor to develop a viable regional sewer solution for the area that is separate from the existing Glendale service area. Many actions have been taken to support the long-range goal of having this area served by a regional sewer system.

In November 2004, MAG adopted a 208 Plan amendment for the Glendale Municipal Planning Area (MPA) that allowed the two sections in the far west-northwest corner of Glendale's MPA to be temporarily served by the City of Surprise. Since that action, several discussions have occurred between the land owners, Glendale staff, and City Council regarding a regional sewer solution for this area. Various alternatives to provide service in this area have been explored and set aside. Two years ago, Global Water Resources began exploring the option of providing sewer service to the area, and has been working with the consortium of land owners in this area.

Global Water Resources proposed a MOU for the provision of sewer service to the Loop 303 Corridor and it has been reviewed by city staff. This effort would allow Global Water Resources to provide sewer service in the area, contingent on satisfactorily addressing all of Glendale's concerns. Global Water Resources has conferred with Arizona American Water Company to verify that water service to the area will continue to be provided and that Arizona American Water Company is willing to expand water to service all of the properties in the Loop 303 Corridor that currently are not in another water service area. Global Water Resources has also discussed a cooperative agreement with Adaman Water District that would allow Global Water Resources to provide sewer service to interested property owners in their district.

The provision of sewer service in this area would be subject to Glendale approval of various conditions, including annexation into the city. An associated group of large property owners are interested in annexation and are currently working with Global Water Resources on a plan for sewer service. Each property owner of this partnership will have to work directly with the Glendale Planning Department on the annexation, planning and zoning issues for their respective property. Global Water Resources will work with Glendale to develop the needed infrastructure plans, the right to serve the area from the Arizona Corporation Commission, the needed changes in the MAG 208 Plan and other technical issues.

In 2008, city staff and the landowners concluded that it was not practical for the city to be the sewer and water services provider in the Loop 303 Corridor. Several reasons were cited, including, the remote location of the service area compared to the existing city infrastructure for water and sewer service. The other major challenge was the need to develop the infrastructure with just-in-time provision of service.

At the January 15, 2008 and June 3, 2008 Council Workshops, staff provided Council with an annexation and Utilities update on the Loop 303 Corridor. Council provided direction allowing staff to explore the City of Glendale provision of water and sewer service to the area west of 115th Avenue. Council provided explicit direction that the land owners would pay for all cost of provision of service to this area with no impact of that service area on existing Glendale water and sewer customers elsewhere in the city.

On July 12, 2005, Council adopted the current annexation policy, which states that viable private companies will provide water and sewer service for any annexed area beyond the city's existing service area, and that consideration will be given to annexation requests submitted from any location within Glendale's MPA. Due to significant changes in the ownership of Arizona American Water Company and Litchfield Park Service Company, no solutions were found that would resolve this issue favorably at that time.

On February 24, 2004, Council approved an intergovernmental agreement with the City of Surprise which allowed a two square mile area of the Glendale MPA to be temporarily served by Surprise sewer treatment. That effort included an amendment to the MAG 208 Plan.

The provision of sewer service in the Loop 303 Corridor will allow farmland and desert land to transition into the allowed uses in the Glendale General Plan which has been carefully planned with Luke Air Force Base officials and consideration of the State of Arizona legislative restrictions for development near military installations. This area has considerable economic potential for the City of Glendale and the region as a whole.

The Global Water Resources MOU will provide for the sewer capacity needed for the Loop 303 Corridor development at no cost to existing Glendale water and sewer customers.

There are no costs or budget issues for the city related to this MOU. All costs will be paid by the landowners and future property owners working with the sewer service provider.

Staff is seeking guidance from Council to continue working with the partnership of property owners and Global Water Resources to develop a viable arrangement for sewer service in the area west and north of Luke Air Force Base in Glendale's Municipal Planning Area known as the Loop 303 Corridor.

Mr. Ken Reedy, Deputy City Manager, presented this item. He asked Mr. Leyton Woolf with Woolf Logistics Development, to speak on this item.

Mr. Woolf stated they had worked a long time on this project. However, he believes the slow progress has been to their benefit. He explained that having 6,000 acres of open space presented a great opportunity. He indicated that the right amount of time had been taken and now, they were ready for the next step. He explained that even with the bad economy, things will get better and they have to be ready for when the cycle turns around. He noted the land owners were satisfied with what the statute says and what the plan says. He stated even though Glendale has recently been through some tough times, they have great faith in the City of Glendale and it is where they want to be.

Mayor Scruggs thanked Mr. Woolf for the role he has played on this project. She said people like him did not come along very often. She expressed her appreciation for the very important part he and his family have played in the early days of Glendale and now will be helping shape Glendale in the future. She commented on suggestions the land should go to other cities; however, nowhere in any scenario are the wishes of the property owners considered. She thanked him once again for his persistence and for being a major part of Glendale's future.

Councilmember Goulet thanked him for his presentation and for his great work throughout the years. He asked if this plan would modify the 208 plan and would MAG have any oversight to modify or adjust anything recommended. Mr. Reedy stated MAG was the agency for regional sewer planning. Therefore, there was room for adjustments which they have done as recently as 2004 when Russell Ranch was served by a different provider. He noted sponsoring a change will not be difficult if needed. He stated this will be an orderly process in working together with the developer and Global Water Resources to make sure whoever gets annexed receives this service. This plan will ensure that service is available to those people who pay the cost and after that time, the next phase will begin with another set of people to invest. He added that this was an

investment by the property owners and Global Water Resources that will not affect Glendale's existing sewer customers since this will be a standalone sewer service area. Councilmember Goulet thanked them both.

Vice Mayor Martinez thanked them both for their presentations. He complimented Mr. Woolf for his involvement and patience over the last three to four years. He asked if they would have to have MAG approval to get amendments to this plan. He also asked what the Council needed to do to help them get to the next level. Mr. Reedy stated he was hoping for Council's direction for staff to continue to work with Global Water Resources to develop their memorandum of understanding and bring that to the Council for adoption. Additionally, they need approval to continue to work with MAG and the Arizona Corporation Commission to develop their certificate of convenience and necessity that will allow them to provide service for this area for the first phase of sewer service. Vice Mayor Martinez was in agreement.

Councilmember Clark congratulated them both on their success and phenomenal work. She remarked that she remembered the first meeting on this issue in 2005. She stated it had been a long time and their persistence was to be commended. She indicated they had to overcome many obstacles including finding their own water source not tied to or funded by Glendale residents. She noted she was truly amazed on all they had accomplished. She said this area was Glendale's future and she credits Mr. Woolf with great foresight in planning for the future. She agrees that this economy will eventually turn around and they will be ready. She also thanked him for his sensitivity regarding the compatibility with Luke Air Force Base. She added they had her appreciation and support.

Councilmember Frate stated he supports Mr. Woolf because of his intuitive vision of developing the area as well as the protection of Luke Air Force Base. He remarked that a lot of people are discouraged with the current economy, however, even now; he has a vision and is moving forward. He commends his efforts and wished him the best of luck on all his projects. He extended his support.

Mayor Scruggs called Mr. Michael Francis forward, a member of the group. She expressed her thanks and appreciation for all his work on this item as well as many others in Glendale. Mr. Francis thanked the staff and Council for taking the time to develop this plan. He stated they were prepared to move forward with an orderly development of the area. He added that he hopes it becomes a good tax base for the city. Mayor Scruggs reiterated Vice Mayor Martinez's inquiry of what the city should be doing now, that they were not doing, to help advance this project and make it successful. Mr. Woolf responded that they needed their vote of confidence. He asked them to set a date when this can get done. He added they can tell those in the legislature and Washington there was a plan in place and they were moving forward and the annexations will occur. Mayor Scruggs remarked that it was important to let people know things were moving forward and they were working together.

Councilmember Lieberman remarked that Global Water Resources was not part of Arizona American Water. This was established after some research for other developing properties and sewer agreements. Mr. Reedy explained the Russell Ranch agreement with the Arizona American Water. He added that Global Water Resources is a corporation in Arizona that currently serves 17 communities with 24,000 customers. Mr. Jason Bethke, Director of Engineering and Construction for Global Water was in the audience to answer questions on this issue. Councilmember Lieberman inquired as to the closest plant to the Hwy. 303, as it applies

to Glendale. Mr. Bethke responded that they had water service areas and treatment facilities within the town of Buckeye. The closest waste water facility was in the city of Maricopa. Councilmember Lieberman asked where they envisioned a smaller plant along the area they were discussing today. Mr. Bethke stated they were still planning the final location. He added that they had several potential locations; however, it also depends on the group of property owners and where they are all located. Councilmember Lieberman asked if they were currently servicing any of this area. Mr. Bethke responded no. Mr. Woolf remarked that Arizona American Water has a package plan in the Russell Ranch area. He stated that Global and Arizona American Water have entered into discussions where Global would take over that responsibility.

Mayor Scruggs asked Mr. Woolf to introduce others from his organization. Mr. Woolf introduced several people in the audience. Mayor Scruggs stated the consensus of the Council is to direct staff to continue to work with Global toward developing the final Memorandum of Understanding and to continue to work with Maricopa Association of Governments and the Arizona Corporation Commission. This should be done as soon as possible.

As no further business was discussed, Mayor Scruggs adjourned the meeting.

ADJOURNMENT

The meeting was adjourned at 2:00 p.m.