

Minutes of the Work Session held September 7, 2010 at 6:00 p.m. in the Council Chambers.

MEMBERS PRESENT

Mayor Lopez Rogers and Council Members

Jim McDonald, Vice Mayor
Jim Buster
Stephanie Karlin
Frank Scott
Charles Vierhout
Ken Weise

ALSO PRESENT

Charlie McClendon, City Manager
David Fitzhugh, Assistant City Manager
Andrew McGuire, City Attorney
Kevin Kotsur, Chief of Police
Deborah Olson, SWFAC Director
Carmen Martinez, City Clerk

- 1) **ROLL CALL BY THE CITY CLERK**
- 2) **CENTRAL ARIZONA PROJECT'S SMART ENERGY PLAN**

An update from David Modeer, Central Arizona Project's General Manager, regarding the Smart Energy Plan and how it affects Avondale.

Mr. Modeer updated the City Council on the status of the Navajo Generating Station (NGS). Central Arizona Project (CAP) is the largest power consumer in Arizona. Moving water from the Colorado River to the Phoenix and Tucson metropolitan areas is a very energy-intensive process. Water must be transported a distance of 336 miles, and over almost 3,000 feet of elevation gain. The NGS was built as a compromise solution. Rather than building many new dams along the Colorado to generate the power necessary for the CAP, it was decided that it would be better for the environment to build the NGS. The power station generates enough additional power, beyond the CAP needs, to provide a significant source of revenue for the Navajo and Hopi tribes. It provides a substantial amount of low cost energy and makes possible a reliable water supply for central Arizona.

Mr. Modeer reported that in August the EPA published an advanced notice requiring the owners of the NGS, which includes the CAP and the Bureau of Reclamation, to install technology to improve the emissions of nitrous oxide. The expense is large enough that it would threaten the continued operation of the NGS. Loss of this plant would increase costs to citizens and industries. To illustrate his point, Mr. Modeer showed Council a 10-minute video produced by the CAP.

Mr. Modeer said the threat of closure to the NGS is real. The owners and operators are not inclined to make a \$1.2 billion investment in the plant, given the possibilities of future carbon taxation, sequestration, and other climate change-related issues. If NGS is lost, water rates could rise as much as 200% and 400%, as CAP would have to buy energy off the open market. He invited the City of Avondale to partner with the CAP to influence Washington D.C. towards a negotiated settlement.

Council Member Weise inquired about the targeted reduction in nitrous oxide emissions. Mr. Modeer explained that visibility levels are measured in deciviews. A 1.7 deciview represents when a human eye can detect a change in visibility. The installation of the Low NOx burners improves visibility by .47 deciviews, which is not detectable by the human eye. The installation of Selective Catalytic Reduction (SCR) systems and other emissions control technology improves visibility by .7 deciviews. He questioned the wisdom of such costly measures to realize such little improvement in visibility. He stated that the NGS contributes less than 8% of the regional haze issues affecting the Grand Canyon area.

Council Member Weise inquired about the impact that closing NGS would have on jobs at the plant, the coalmine, and the railroad that supplies it. Mr. Modeer stated that the Kayenta Mine would lose its value without the NGS, since there is no transportation system to move coal from the mine to the open market. The station generates the revenue for the production of coal at the mine. It contributes 80% of the revenue for the Navajo nation, and 90% of the revenue for the Hopi nation. It is one of the few sources of higher paying jobs in the area.

Council Member Buster queried whether any health issues were associated with the initiative, or was it simply about visibility. Mr. Modeer confirmed that it is a visibility issue that goes back to the regional haze procedures adopted in the mid 1990s. Council Member Buster questioned how a switch to more expensive technology would affect groundwater pumping and safe yield in active management areas (AMA). Mr. Modeer explained that the impact would be significant. Without CAP, central Arizona would have to revert back to using groundwater. The CAP supplies water to 80% of the population of Arizona, and about 60% of the water used in the three-county area. It would be impossible to meet safe-yield goals under those circumstances.

Council Member Karlin noted that the Environmental Protection Agency's (EPA) Clear Skies Act requires Arizona to reduce emissions of nitrous oxide by 63% by 2020, and mercury by 69%. According to the EPA's ranking, the Navajo Generating Station ranks eighth on the list of the biggest polluters in the United States. Besides visibility, the plant has raised concerns about acid rain production. She said she understands the enormous investment it would take to retrofit the plant, but inquired whether SRP has conducted any studies to determine how much it would cost to close the NGS and use alternative energy sources of energy that could still provide jobs without having to rely on expensive equipment.

Mr. Modeer responded that he could not speak for SRP. The CAP has no other source of power other than a small amount from Hoover Dam. The NGS was built as an environmental compromise. More is known today about the problems associated with emissions. Acid rain problems were largely eliminated when sulfur dioxide scrubbers were installed in the mid-1990s. The nitrous-oxide burners that are being installed now could substantially reduce emissions, but they need some time to prove that, before more costly measures are taken. The CAP is studying ways to integrate renewable energy into the system, but this will take time. Most pumping occurs at night for energy efficiency, and to generate additional revenues from the excess power produced at NGS. That excess power also pays for the repayment of the construction of the CAP, which amounts to \$57 million per year. It also provides the revenue for every Indian Water Rights Settlement Act project

in Arizona. Loss of the NGS would eliminate that funding, and the burden would fall on the citizens of Arizona. The long-term viability of a coal generating station under the old technology is probably questionable, but more time is needed to develop the alternative energies necessary serve as a viable alternative.

Vice Mayor McDonald inquired about the process of measuring deciviews. Factors such as wind, temperature and time of day, can have major impact on visibility. How is it possible to determine what percentage of visible haze consists of nitrous oxide? Mr. Modeer cited that nitrous oxide in the atmosphere is measured using special equipment. Vice Mayor McDonald noted that deciviews are a separate measurement from nitrous oxide. Mr. Modeer responded that deciviews are an empirical measure of particles in the air that inhibit the ability to see in the distance. Dust and humidity also impact visibility. The conclusion that the reduction of nitrous oxide would improve visibility is based on modeling, not empirical evidence. The bulk of the haze affecting the Grand Canyon comes from external sources such as dust storms, forest fires and pollution from faraway places. Most of the regional haze from the power plant migrates to Utah for the majority of the year. Vice Mayor McDonald said there are so many factors involved in visibility that the plain measure of nitrous oxide would be a better way to go than using deciviews.

Council Member Vierhout inquired about the dollar value of excess power from NGS. Mr. Modeer explained that the CAP has rights to about 4.2 million kilowatt-hours per year. Of that amount, 2.8 million is used to pump water. The balance of that power is then marketed according to the original four-party agreement, which expires in September of 2011. At that time, CAP would market the excess power. CAP has agreed to pay the Federal government \$57 million annually to repay its share of the construction. Revenue from the sale of excess power currently generates \$22 million of that obligation, and citizens pay the rest. When the CAP takes over marketing, the model suggests that the revenue generated would pay for the entire \$57 million in obligation, and effectively remove that portion from water rates.

Council Member Vierhout inquired about carbon emissions. Mr. Modeer responded that the regulatory issue is strictly about visibility. If the EPA ever imposed a carbon tax or other regulatory measure that makes power inefficient to market, there would be no reason for the producers to invest \$1.2 billion in new technology, when they could make a more palatable investment in alternative energy or clean natural gas. Given the current situation, they would be unlikely to agree to invest that much, and when the current contracts run out in 2019, the NGS would likely be decommissioned. The Los Angeles Department of Water and Power, which is a part owner of NGS, has already issued a letter stating that they are not going to renew their contract. The State of California has a goal of eliminating all power generated from fossil fuels within 20 years.

Council Member Vierhout questioned why the NGS is being hit harder than most other coal plants. Mr. Modeer opined that the plant has become a target for environmental groups that are committed to seeing the plant shut down. If visibility were the best pathway to achieve that goal, they would support increased regulation. The plant's proximity to ten national parks makes it a clear symbol in several environmental controversies. The EPA is not necessarily committed to closing it, but their regulatory process would contribute significantly to that likelihood.

3) UPDATE ON THE SOUTHWEST REGIONAL FAMILY ADVOCACY CENTER

An update on the Southwest Family Advocacy Center (SWFAC).

Chief Kotsur stated that three west Valley cities came together to fund the SWFAC and provide services that are in dire need in the area. Ms. Olson recalled that in 2006, the Council approved the IGA to establish the SWFAC along with Goodyear and Buckeye. Avondale Police Department was assigned as the financial manager in 2007, and the center opened in 2008. Since that time, services have been provided to victims and witnesses of child sexual and physical abuse, neglect, drug endangerment, domestic violence, sexual assault, and elderly abuse. Avondale employees include a director, an administrative assistant, a forensic interviewer, and Avondale PD. A specially trained forensic specialist interviews victims and witnesses of crimes in a manner that is sensitive to developmental, emotional, and psychological needs, while gathering facts for the investigation. Avondale PD has relocated their special victims unit to the center. That unit includes a sergeant and four detectives. The victims' assistant provides crisis intervention and referral services for the victims and families. The Volunteers in Police Service (VIPS) Coordinator provides volunteers and pet therapy teams who comfort children as they are waiting for their interviews and exams.

When a report of abuse is made, several agencies become involved in the investigation and treatment of the victim. SWFAC coordinates the services of medical, mental health, prosecution, law enforcement, and Child Protective Services (CPS). Other partner agencies at the center include two Buckeye detectives and four Goodyear detectives. CPS has an investigative unit that includes seven case specialists, two case aids and a supervisor. Child Health and A New Leaf provide counseling services to the victims and their families. St. Joseph's Hospital and Scottsdale Healthcare provide forensic medical exams for victims who have experienced some form of assault. Two fully equipped medical exam rooms are located at the center. The Maricopa County Attorney's Office uses space at the center as needed.

Since the center opened, 725 cases have been investigated and 988 victims have received services. Almost 200 medical exams have been conducted, and over 900 forensic interviews. With the new counseling additions, the center now provides an average of 40 counseling sessions per week. About 70% of victims are female, and victims range from 3 years old to adults, with 32% under the age of six, and 39% between the ages of seven and twelve. The three partnering cities account for approximately 70% of the cases in 2010. Since the center opened, the City of Surprise has had the most non-partner cases. Other agencies that have used the center include MCSO, El Mirage, Tolleson, Phoenix, Mesa, the Native American Indian communities and Wickenburg. East Valley cities use the center when victims live in the west Valley.

The operating budget's single largest item is the building lease, which accounts for 54%. The contract was renegotiated last year, reducing that expense by \$61,000 for each remaining year. Salaries and benefits account for about 37% and the American Recovery and Reunification Grant is paying for the salary and benefits of the forensic interviewer. In

the past year, SWFAC has received over \$33,000 in donations. Some of this money was used for a mural in the reception area, and to allow personnel to attend a national training conference. Private donations help supply snacks, food, clothing and toys for children.

Future funding considerations include applications for grants, including a Gila River Indian Community grant, and the SRCIC recording technology grant. The Arizona Law Enforcement Assistance Foundation (ALEAF) has agreed to supply an additional copier, a color laser printer, flat panel TVs, and play therapy items. SWFAC is exploring the possibility of forming a 501c3 foundation to better solicit larger funding amounts. The partnering cities continue to discuss options with non-partner agencies regarding future funding sources. Ms. Olson provided several anecdotes, and noted that the victims would not have the center without City Council's commitment.

Mayor Lopez Rogers inquired about the City of Surprise. Chief Kotsur reported that he met with the new temporary Police Chief of Surprise last week, who has pledged to donate additional funding towards the center this fiscal year and explore full partnership next fiscal year. Chief Kotsur expressed confidence that this partnership arrangement could be secured.

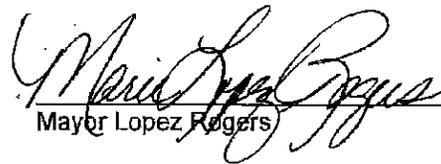
Council Member Weise inquired about the Gila River grant. Ms. Olson reported that the \$180,000 grant request was applied for in June, and they are expected to make a decision in October. Council Member Weise noted that the City of Peoria does not use the facility very much, despite its size. Chief Kotsur explained that they often use similar facilities in Phoenix and the east Valley. SWFAC takes the overflow from those locations and exchanges services when the victim is located closer to those jurisdictions. Council Member Weise asked about the center's primary needs. Ms. Olson advised that supplies and food items are given to children on a daily basis. They are also providing small toys on their first visit, and these run out quickly.

Council Member Scott suggested that Ms. Olson provide the same presentation to the other cities that use the facility. The center could not provide a better environment for children who have suffered so much. Council Member Vierhout acknowledged how hard it must be for professionals to deal with these types of problems on a daily basis. Mayor Lopez Rogers thanked Ms. Olson for the presentation.

4) ADJOURNMENT

With no further business before the Council, Council Member Weise moved to adjourn the work session. Council Member Scott seconded the motion. The motion carried unanimously.

Meeting adjourned at 6:54 p.m.


Mayor Lopez Rogers

Carmen Martinez

Carmen Martinez, CMC
City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Work Session of the Council of the City of Avondale held on the 7 day of September 2010. I further certify that the meeting was duly called and held and that the quorum was present.

Carmen Martinez

City Clerk

Minutes of the Regular Meeting held September 7, 2010 at 7:00 p.m. in the Council Chambers.

MEMBERS PRESENT

Mayor Rogers and Council Members

Jim McDonald, Vice Mayor

Jim Buster

Stephanie Karlin

Frank Scott

Charles Vierhout

Ken Weise

ALSO PRESENT

Charlie McClendon, City Manager

David Fitzhugh, Assistant City Manager

Andrew McGuire, City Attorney

Kevin Artz, Finance and Budget Director

Carmen Martinez, City Clerk

1 ROLL CALL AND STATEMENT OF PARTICIPATION BY THE CITY CLERK

3 UNSCHEDULED PUBLIC APPEARANCES

There were no requests to speak.

4 CONSENT AGENDA

Items on the consent agenda are of a routine nature or have been previously studied by the City Council at a work session. They are intended to be acted upon in one motion. Council members may pull items from consent if they would like them considered separately.

a. APPROVAL OF MINUTES

1. Work Session of August 9, 2010
2. Regular Meeting of August 9, 2010

b. LIQUOR LICENSE - AMERICAN SPORTS CENTER

A request from Mr. John Shields for a recommendation of approval to the State Department of Liquor Licensing and Control of a Series 5 Government License to sell all spirituous liquors at the American Sports Center located at 755 N 114th Avenue.

d. ACQUISITION OF RIGBY WATER COMPANY

A request to approve the purchase of Rigby Water Company in the amount of \$2.56 million and the transfer of appropriation authority and cash in the amount of \$1.3 million and authorize the Mayor or City Manager and City Clerk to execute all the necessary documents.

e. PURCHASE AGREEMENT - FACILITEC, INC. FOR NORTHWEST PUBLIC SAFETY FACILITY

A request to approve a Purchase Agreement with Facilitec Inc. for the purchase of office furnishings for the Northwest Public Safety Facility through the State of Arizona Cooperative Purchasing Program in the amount of \$70,072.74 and authorize the Mayor or City Manager and City Clerk to execute the necessary documents.

- f. EMERGENCY PURCHASE AGREEMENT - VALMONT INDUSTRIES, INC. FOR TRAFFIC SIGNAL EQUIPMENT FOR AVONDALE BOULEVARD T1 IMPROVEMENTS**
A request to award an Emergency Purchase Agreement to Valmont Industries in the amount of \$171,532 to purchase traffic signal poles and appurtenances for the Avondale Boulevard Traffic Interchange Improvement Project, and authorize the Mayor or City Manager and City Clerk to execute the necessary documents.
- g. PROFESSIONAL SERVICES AGREEMENT AMENDMENT NO. 2 - ELLIOT POLLACK & CO., INC.**
A request to approve Amendment No. 2 to a Professional Services contract with Elliot Pollack and Company, Inc. in the amount of \$22,612.50 for a new contract total amount not to exceed \$117,612.50 for services related to the acquisition of the Rigby Water Company and authorize the Mayor or City Manager and City Clerk to execute the necessary documents.
- h. PROFESSIONAL SERVICES AGREEMENT AMENDMENT NO. 2 - URS CORPORATION - AVONDALE BOULEVARD & I-10 TRAFFIC INTERCHANGE IMPROVEMENTS**
A request to approve Amendment No. 2 to the Professional Services Agreement with URS Corporation for the Avondale Boulevard and I-10 Traffic Interchange project in the amount of \$49,200.00 and authorized the Mayor, or City Manager and City Clerk to execute the necessary documents.
- i. PROFESSIONAL SERVICES AGREEMENT AMENDMENT NO. 1 - REGIONAL PAVEMENT MAINTENANCE OF ARIZONA, INC.**
A request to approve Amendment No 1 to a Professional Services Agreement with Regional Pavement Maintenance of Arizona, Inc. in an amount not to exceed an aggregate total of \$90,000 and authorize the Mayor of City Manager and City Clerk to execute the necessary documents.
- j. PROFESSIONAL SERVICES AGREEMENT - LEGEND TECHNICAL SERVICES**
A request to approve a Professional Services Agreement with Legend Technical Services, Inc., for water and wastewater laboratory analysis services by adjoining to the City of Tempe's contract for an amount not to exceed \$185,000.00 per year and authorize the Mayor or City Manager and City Clerk to execute the necessary documents.
- k. CONSTRUCTION CONTRACT AWARD - RENOVATION SOLUTIONS GROUP, INC. - WESTERN AVE BUSINESS RENOVATION PROGRAM**
A request to approve a contract with Renovation Solutions Group, Inc. in the amount of \$108,487 to complete improvements to the exterior of Western Avenue businesses and authorize the Mayor or City Manager and City Clerk to execute the necessary documents.
- l. RESOLUTION 2927-910 - FIRST AMENDMENT TO GRANT AGREEMENT WITH THE FIRST THINGS FIRST SOUTHWEST MARICOPA REGIONAL PARTNERSHIP COUNCIL**
A resolution authorizing the first amendment to the Grant Agreement with the First Things First Southwest Maricopa Regional Partnership Council to provide funding for

support services to families with children from birth to age five and authorizing the Mayor or City Manager and City Clerk to execute the necessary documents.

m. RESOLUTION 2928-910 - INTERGOVERNMENTAL AGREEMENT - JOINT AVONDALE/GOODYEAR FIRE TRAINING FACILITY

A resolution approving an Intergovernmental Agreement with the City of Goodyear for operation and use of a joint fire training facility and authorizing the Mayor or City Manager and City Clerk to execute all the necessary documents.

n. RESOLUTION 2929-910 - INTERGOVERNMENTAL AGREEMENT WITH ADOT FOR THE CONSTRUCTION OF AN INTERIM TRAFFIC OPERATIONS CENTER

A resolution authorizing an Intergovernmental Agreement with the Arizona Department of Transportation for the construction of an interim Traffic Operation Center, authorize the transfer of \$225,000 from 304-1275-00-8420, Western, Central to 4th Avenue Mill Overlay to a newly created line item and authorizing the Mayor or City Manager and City Clerk to execute the necessary documents.

Council Member Scott pulled item 3c from the consent agenda to be considered separately.

Vice Mayor McDonald moved to approve the consent agenda with the exception of item 3c but including the resolutions as presented. Council Member Weise seconded the motion.

ROLL CALL VOTE AS FOLLOWS:

Vice Mayor McDonald	Aye
Council Member Scott	Aye
Council Member Vierhout	Aye
Mayor Lopez-Rogers	Aye
Council Member Weise	Aye
Council Member Karlin	Aye
Council Member Buster	Aye

Motion carried unanimously.

c. LIQUOR LICENSE - PERSON TO PERSON TRANSFER - DYSART LIQUORS AND MARKET

A request from Mr. Robert Samson Anthony for approval of a Person to Person Transfer of a Series 9 Liquor Store License to sell all spirituous liquors at Dysart Liquors and Market located at 1235 N. 8th Street.

Council Member Scott stated he had a conflict of interest regarding this item and therefore would recuse himself while the Council considered this item.

Vice Mayor McDonald moved to approved item 3c as presented. Council Member Weise seconded the motion.

ROLL CALL VOTE AS FOLLOWS:

Vice Mayor McDonald	Aye
Council Member Scott	Abstain
Council Member Vierhout	Aye
Mayor Lopez-Rogers	Aye
Council Member Weise	Aye
Council Member Karlin	Aye
Council Member Buster	Aye

Motion carried 6-0.

4 ORDINANCE 1425-910 - AMENDMENT TO CITY CODE CHAPTER 24 - WATER SECURITY DEPOSITS, SERVICE FEES AND CONDITIONS

An ordinance amending the Avondale City Code, Chapter 24, relating to an increase in security deposits, the fee to connect service, and conditions to restore service.

Charlie McClendon, City Manager, introduced Kevin Artz, Finance and Budget Director to present this item.

Kevin Artz indicated that at a previous work session staff presented to Council two options to address the impact of HB 2450 which has taken away cities' ability to collect from landlords on delinquent tenant accounts. Council directed staff to seek public input regarding the two proposed options. He indicated that currently the City collects a \$75.00 deposit on water service accounts, however, the fee is waived for owner occupied residential accounts or if the applicant can provide a letter of credit from another utility company.

He indicated that option A requires the utility service contract to be linked to the service location. This option enhances the City's ability to collect on delinquent accounts and ultimately gives the City the ability to lien the property for uncollected amounts. This option also improves efficiencies in billing and significantly reduces work orders as the water service does not have to be turned on and off based on occupancy. However, this option puts the city in the middle of landlord/tenant disputes in instances where the tenant is current on account but the landlord is not paying the city. Another drawback is that the City would no longer have access to rental agreements which are then used to collect the corresponding sales tax on rental property. This option does not address delinquencies on owner-occupied properties.

Option B would increase the deposit amount to \$175.00 and remove the provision that allows for the waiving of the deposit. This option would enhance the City's ability to collect on past due account and would maintain the ability to collect rental agreements. However, it would not reduce the number of work orders and would have a more significant impact on new residents by having to pay the higher deposit.

Mr. Artz indicated that staff held an Open House on August 18 which was attended by 17 individuals including homeowners, tenants, landlords, real estate agents and property managers. He indicated that the majority of the individuals in attendance who provided feedback favored increasing the deposit amount. Staff also attended the Neighborhood and Family Services Commission. Members there also expressed support for Option B, but they

also voiced strong feelings regarding the deposit amount and the refunding of the deposit. Staff is proposing to keep the deposit until service is disconnected. Mr. Artz indicated that the proposed ordinance increases the residential deposit to \$175.00; the commercial deposit to \$300.00; turn on fee to \$60 and \$100 for same day service; and eliminates the provision for the waiving of the deposit. The increased turn on fee would represent the actual cost of turning on the water. The proposed ordinance also imposes an additional deposit of \$75.00 if the account is disconnected for non-payment. He explained that if an account becomes delinquent and gets disconnected, the account owner would have to pay the \$60.00 reconnect fee, \$75.00 additional deposit and the delinquent amount before the service can be reinstated. Mr. Artz said that staff is recommending Option B.

In response to a question from Mayor Lopez Rogers, Mr. Artz indicated that currently the system does not allow staff to determine the percentage of delinquencies which are tenant versus owner occupied.

In response to a question from Council Member Buster, Kevin Artz indicated that some cities are requiring the contract to be in the property owners' name; others have increased the deposit to \$200 and other cities have yet to decide how they are going to proceed. Council Member Buster indicated that Option B is an acceptable compromise which allows better collection of water bills.

Council Member Scott asked how much money is owed to the City in delinquent water bills. Mr. Artz indicated that the amount is in the \$1.4 million range. Mr. Artz, agreed with Council Member Scott by saying that the uncollected amount is eventually passed on to all water customers through increased water rates. In response to a follow-up question from Council Member Scott, Kevin Artz indicated that water service would usually be turned off after 30 days delinquency, however, due to workload, staff is now shutting down accounts that have a balance greater than \$50.00 and are 60 days past due. Council Member Scott indicated he is a landlord in commercial property and as such has the ability to turn water off when the tenant is late for a few days and is in favor of both options. He indicated there needs to be compassion, but residents also need to be made responsible so the City can ultimately reduce the amount owed to it.

In response to a question from Council Member Vierhout, Kevin Artz indicated that approximately 45-55% of the accounts are family rental homes. Council Member Vierhout commented that the deposit loses value over time. Mr. Artz replied that it would not be cost efficient for the city to calculate and pay interest on the deposit. He added that based on the current state of the economy, he would not recommend reimbursement of the deposit, however, if the economy improves in a few years, the council may consider refunding the deposit after a customer has established good credit history with the city. Council Member Vierhout commented that he would not be able to vote in favor of either option and would suggest that a hybrid of both options be prepared. Council Member Vierhout and Mr. Artz agreed that a tenant would not have an incentive to save water if the account is in the landlords' name.

In response to a comment from Council Member Karlin, Mr. Artz indicated that water is turned off the same day the account is brought current and customer are not left without water over the three day weekend. He added that the same day fee of \$100.00 applies only

to new customers. Council Member Karlin indicated that the proposed deposit of \$175.00 seems onerous and a compromise should be sought.

In response to a question from Vice Mayor McDonald, Mr. Artz indicated that a typical water bill is for 8,000 to 10,000 gallons of water in the amount of \$65 to \$75.00 per month. Vice Mayor McDonald commented that the amount of the current deposit only covers for one month delinquency and added that he is favor of Option A, but would not be opposed to a hybrid of both options. He added he would not be in favor of refunding the deposit after twelve months but would consider longer periods of time. Regarding the proposed turn on fees as those costs need to be recouped by the city.

In response to a question from Council Member Weise, Kevin Artz indicated that the \$1.4 million represents accounts that are over 90 days past due. Council Member Weise opined that past due water bills for rental properties represent the cost of doing business for the landlords and the City should not absorb the delinquent amounts. He commented that the proposed deposit amount seems high and it would penalize people who have been good customers and discourage families who want to build a life in Avondale.

Kevin Artz, confirmed Council Member Scott's comment regarding the fact that the new deposit would only apply to new customers; existing accounts would be grandfathered in. Council Member Scott commented that he does not want to discourage people from moving into Avondale, but the \$1.4 million owed to the city is a burden and the city should not have to bear it so he is in favor of making landlords responsible for the water bills.

Council Member Vierhout asked if it is known how many of the delinquent accounts are from repeat offenders. Kevin Artz, indicated that at this time he does not have that information available. Council Member Vierhout agreed that ultimately the property owners should be responsible for the water bill.

Council Member Weise asked if it would be possible to charge the deposit based on usage. Kevin Artz responded that there would need to be some usage history on the customer so it would very challenging to do so.

Council Member Buster asked what would happen to the tenant if Option A is decided upon and the landlord is not paying the water. Mr. Artz replied that the point was discussed at the public meeting and according to the property managers in attendance, a tenant would need to give notice to the landlord before they can withhold a portion of the rent to make the water payment. So the tenant may have to make the payment and be out that money until he resolves the issue with the landlord. Council Member Buster added that the issue is further complicated with out of state owners. Council Member Buster commented that Option A does not solve all the problems.

Mayor Lopez Rogers commented that this is an unintended consequence of the legislature's action. She commented that Council seemed to be in favor of developing a hybrid option. She indicated she had a person who had requested to address the Council and asked City Manager and City Attorney if they could develop such an option while the speaker addressed the Council.

Amanda Wright, on behalf of the West Maricopa Association of Realtors. She indicated the association represents 6,000 members from the west valley. She commented that Option A would slow down economic recovery because the water needs to be turned on in order to conduct inspections to sell a house. She added that Option A would also create accounting and reporting problems for landlords since they can only collect sales tax on the rent and not on the amount of the water bill and would put the City in the middle of landlord/tenant disputes. Ms. Wright also indicated that Option A would discourage investors from buying in Avondale. She added that there are problems with Option B as landlord would go to cities that have a lower deposit. Ms. Wright suggested the deposit could be charged over three months at a rate of \$100.00 a month. She added that landlords in Arizona are only allowed to collect a deposit equivalent to one and a half month rent which is a limitation the Council should consider. Ms. Wright commented that the best option would be not to tie the deposit to the property.

Council Member Weise commented that he likes the idea of allowing investors to pay the deposit over three months. He also pointed out that the Council needs to look for the long term benefit to the City and renters do not usually stay in the city for as long a term as those residents who own their home.

Vice Mayor McDonald commented that the amount or structure of the deposit would not discourage people from buying in Avondale because the City is fiscally responsible and has a lot to offer for its residents. He indicated that the best option is to have the account be in the name of the property owner and the increased deposit.

Ms. Wright replied that the problem for the realtors is that most of the homes in the market currently are foreclosures owned by banks. Up until now, the real estate agent has established a water account when needed in order to conduct the necessary inspection on a home, under Option A, the bank would be responsible for this as the property owner and added that in no instance would be bank be willing or able to do this.

Ms. Wright clarified to Council Member Vierhout that she represented realtors in the west valley only and their recommendation is to not have the account tied to the property. In response to a question from Council Member Vierhout, Ms. Wright indicated that the motivation behind the bill passed by the legislature was to deal with the foreclosure issue. Council Member Vierhout suggested that a fee be tied to a realtor's license that would allow them to get a certain number of turn ons and turn offs. Ms. Wright indicated that she is available to work with staff to find a solution that is agreeable to all.

Council Member Weise asked Ms. Wright if she is aware if any cities are allowing the account to be in the name of the renter with an acknowledgment from the landlord that they would be responsible for the bill if it becomes delinquent. Ms. Wright indicated that is not happening in the west valley but would find out if it's happening elsewhere in the state and get back to the Council.

City Manager indicated that staff can come back to the Council future with a new option that integrates Council's feedback and adds a provision to allow a realtor who has a contract to sell a property to establish service at a property to conduct the necessary inspection.

Council Member Karlin indicated that people with good history should be able to benefit from a waiver. City Manager indicated that criteria could be established to issue waivers.

Mayor Lopez Rogers commented that it is ironic that the City is now being asked to fix a problem that was created by the legislature at the request of realtors and added that while she is aware that the local association was not involved with the drive to pass the legislation, they are members of the state association and requested they be more involved with cities and the league to resolve issues at a lower level.

Council Member Weise moved to continue this item to a future meeting; Council Member Vierhout seconded the motion.

Council Member Buster commented that if the landlord is going to be made responsible for uncollected water bills, then some legislation should also be considered to allow landlords to collect a higher deposit than allowed at this time.

ROLL CALL VOTE AS FOLLOWS:

Vice Mayor McDonald	Aye
Council Member Scott	Aye
Council Member Vierhout	Aye
Mayor Lopez-Rogers	Aye
Council Member Weise	Aye
Council Member Karlin	Aye
Council Member Buster	Aye

Motion carried unanimously.

5 DISCUSSION ITEMS

Council discussion of items listed below to give direction to city staff to research and prepare item for future meeting.

a. Mayor Lopez Rogers Submission for NLC 2nd Vice President

Mayor Lopez Rogers indicated she was seeking Council's support to once again pursue the 2nd Vice President position with the National League of Cities. She added that it is important for Avondale to be at the table at the federal level.

Council Members expressed their support of the Mayor to pursue the position.

6 EXECUTIVE SESSION

- a.** An executive session pursuant to ARIZ. REV. STAT. § 38-431.03 (A)(4) for discussion or consultation with the City's Attorney in order to consider its position and instruct the City Attorney regarding the Council's position regarding the SLT Expressway litigation.

Vice Mayor McDonald moved to adjourn to executive session; Council Member Weise seconded the motion.

ROLL CALL VOTE AS FOLLOWS:

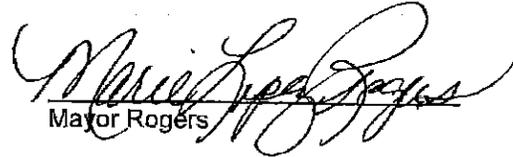
Vice Mayor McDonald	Aye
Council Member Scott	Aye
Council Member Vierhout	Aye
Mayor Lopez-Rogers	Aye
Council Member Weise	Aye
Council Member Karlin	Aye
Council Member Buster	Aye

Motion carried unanimously.

7 ADJOURNMENT

There being no further business before the Council, Council Member Buster moved to adjourn the regular meeting Council Member Vierhout seconded the motion. Motion carried unanimously.

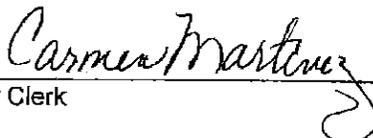
Meeting adjourned at 8:58 p.m.


Marie Lopez-Rogers
Mayor Rogers


Carmen Martinez, CMC
City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Session of the Council of the City of Avondale held on the 7th day of September, 2010. I further certify that the meeting was duly called and held and that the quorum was present.


Carmen Martinez
City Clerk