

MINUTES OF THE AVONDALE CITY COUNCIL
CITY OF AVONDALE, ARIZONA
CITY COUNCIL CHAMBER
March 04, 2024

A **Regular Meeting** of the City Council of the City of Avondale, Arizona was convened at 11465 West Civic Center Drive in open and public session at 5:30 p.m.

Mayor Kenn Weise led the Pledge of Allegiance, followed by a moment of silent reflection.

Members Present: Mayor Kenn Weise; Vice Mayor Mike Pineda; Council Members Tina Conde, Veronica Malone, Curtis Nielson, Gloria Solorio, and Max White.

Members Absent: None.

Other Municipal Officials Present: Ron Corbin, City Manager; Tracy Stevens, Assistant City Manager; Dale Nannenga, Deputy City Manager; Nicholle Harris, City Attorney; Marcella Sarmiento, City Clerk; Liz Barker Alvarez, Intergovernmental Affairs Administrator; Kirk Beaty, Public Works Director; Ken Chapa, Economic Development Services Director; Barbara Copping, City Auditor; Memo Espinoza, Police Chief; Joel Evans, Facilities Director; Bryan Hughes, Parks and Recreation Director; Julie Knoll, Deputy City Clerk; Chris Lopez, Neighborhood and Family Services Director; Andy Mesquita, Human Resources Director; Kimberly Moon, Engineering Director; Jodie Novak, Development Services Director; Larry Rooney, Fire Chief; Jeffrey Scheetz, Chief Information Officer; Ingrid Melle, Communications and Marketing Program Manager; and Renee Weatherless, Finance and Budget Director.

Audience: Two members of the public were present.

1. ROLL CALL BY THE CITY CLERK

2. PRESENTATION ITEMS (DISCUSSION ONLY)

a. EMPLOYEE ANNOUNCEMENT

Dale Nannenga was introduced to the City Council as the new Deputy City Manager. This item was for discussion only.

3. UNSCHEDULED PUBLIC APPEARANCES

None.

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.

Mayor Weise asked if any Council Member wished to have an item removed from the Consent Agenda. Having no requests from Council, a motion was made by Council Member White, seconded by Council Member Nielson, to approve the Consent Agenda.

Upon vote, the motion was carried unanimously 7 to 0.

Council Member Conde	Aye
Council Member Malone	Aye
Council Member Nielson	Aye
Council Member Solorio	Aye
Council Member White	Aye
Vice Mayor Pineda	Aye
Mayor Weise	Aye

a. MINUTES

City Council approved the February 5, 2024, City Council meeting minutes.

b. RESOLUTION 1023-0324 — GRANT ACCEPTANCE FROM WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA FOR THE WATER CONSERVATION PROJECT REDUCE YOUR USE!

City Council (a) adopted Resolution 1023-0324, accepting grant funding from Water Infrastructure Finance Authority of Arizona (WIFA) for the Reduce Your Use! Water Conservation Project in the amount of \$64,875; (b) authorized and directed staff to take all steps necessary to cause the execution of the Agreement and to take all steps necessary to carry out the purpose and intent of this Resolution; and (c) authorized the Mayor or City Manager, City Attorney, and City Clerk to execute the necessary documents.

c. ORDINANCE 2005-0324 — ACCEPTANCE OF A TEMPORARY CONSTRUCTION EASEMENT AGREEMENT FOR THE WELL 25 REPLACEMENT PROJECT

City Council adopted Ordinance 2005-0324, authorizing the acceptance of a temporary construction easement agreement for the Well 25 Replacement Project and authorized the Mayor or City Manager, City Attorney, and City Clerk to execute the necessary documents.

5. REGULAR AGENDA

a. RESOLUTION 1024-0324 AMENDMENTS TO THE PERSONNEL POLICIES AND PROCEDURES, CHAPTER 6 EMPLOYEE BENEFITS

Andy Mesquita, Director of Human Resources, provided an overview for the proposed amendment to the language in Chapter 6, Employee Benefits. Under Arizona Revised Statute 23-372, employees earn one hour of sick time for every 30 hours worked, employees are not entitled to accrue more than 40 hours of earned sick time per year and are not compensated for unused accrued earned paid sick time. The current City of Avondale policy provides part-time and temporary employees with a bank of 40 hours of paid sick leave at the beginning of the fiscal year, newly hired employees receive the 40 hours of paid sick leave upon hire that can be used after the 90th calendar day of work.

Sick leave carries over each year without a limit. Upon separation, they receive compensation of 33.3% of the unused sick time unless involuntarily terminated.

The proposal is to add a definition for temporary employees, noting they are typically hired to work for a duration of less than one year or on an as-needed basis. Temporary employees do not serve probationary periods and may be eligible for benefits based on the number of hours worked. Part-time and temporary employees will accrue one hour of paid sick leave for every 30 hours worked, and eligibility for use will begin at 90 days post-hire. Temporary employees can only accrue up to 40 hours of sick leave per calendar year, and part-time employees will accrue sick leave without limit. Temporary employees would no longer be eligible for compensation of accrued sick leave upon separation, but part-time employees will continue to be eligible for compensation.

If approved, these changes would apply to hires going forward. Current part-time and temporary employees will be governed by the current policy. If approved, staff is recommending immediate adopting to ensure these changes take effect prior to the hiring of temporary staff for the Aquatic Center.

In response to a question by Council Member White, Mr. Mesquita clarified that anyone who is brought on as an actual temporary employee for the City of Avondale would likely be on for a period of 90 days or longer. Depending on the circumstances, we would find options that exist for an employee to utilize accrued time prior to the 90th day of employment. Mr. Corbin noted State law prohibits any repercussions for up to 40 hours of sick leave use per year. Mr. Mesquita clarified the City of Avondale is adopting the revised statute language that outlines the 90-day waiting period.

In response to a question by Mayor Weise, accrued paid sick leave for temporary/seasonal employees is held and reinstated if the employee returns to work within a year.

In response to a question by Council Member Nielson, the payroll system does have the capability to accurately track the calendar year and fiscal year to ensure compliance with the policy.

Council Member White moved to (a) adopt Resolution 1024-0324, amending the Personnel Policies and Procedures Chapter Policy 6, Employee Benefits to add a definition for Temporary Employee, modify the sick leave accrual rate for Part-Time Employees, and modify the current sick leave accrual rate and sick leave accrual payout language for Temporary Employees; (b) declare the Resolution an emergency that shall be effective immediately upon its passage and adoption; and (c) authorize the Mayor or City Manager, City Attorney, and City Clerk to execute the necessary documents; Council Member Nielson seconded the motion.

Upon vote, the motion was carried unanimously 7 to 0.

Council Member Conde Aye
Council Member Malone Aye

Council Member Nielson	Aye
Council Member Solorio	Aye
Council Member White	Aye
Vice Mayor Pineda	Aye
Mayor Weise	Aye

b. WATER RESOURCES UPDATE

Kirk Beaty, Director of Public Works; Eric Bay, Public Works Assistant Director; and Cole Pihl, Water Resources Manager, provided updates regarding the state of the City's water resources and related projects underway to ensure the City has water resources to support existing and future customer demands.

Mr. Beaty stated the water resource portfolio remains impressive and strong. The Salt River Project is 84% full, which is about the same as last year regarding water in the reservoir. Precipitation in the Salt River Watershed is only 78% of the average, which is lower than last year. There is an expected increase in water delivery costs for fiscal year 2025 due to increases in electricity, which has been built into the budget. In relation to the Colorado River, Lake Mead is 36% full, Lake Powell is 35% full, and the snowpack is 98% of the average. The Colorado River Drought Contingency Plan notes that in 2023, the Bureau of Reclamation declared a Tier 2A shortage with the possibility of more severe cuts and a lot of attention focused on the Colorado River and conservation efforts. The winter of 2022/23 had increased run-off and brought up the lake levels, increasing the shortage to a Tier 1 shortage for 2024, and that is where we are holding steady, hopefully into 2025. The Drought Contingency Plan ends in 2026, and the Bureau of Reclamation is preparing an Environmental Impact Statement that will be presented at the end of this year and will continue to figure out what will happen after 2026. Avondale still needs to do their part and continue forward with conservation efforts, including outreach, education, and incentives.

In June 2023, the Arizona Department of Water Resources released the Phoenix Active Management Area Groundwater Model Update, which predicted a groundwater shortage of 4.86-million-acre feet over the next 100 years. With this information, the Governor declared a halt on new development that relies 100% on groundwater and requiring a Certificate of Assured Water Supply. As expected, this has generated 94 water-related legislations, with the majority aimed at resumption of development.

Mr. Bay discussed the Designation of Assured Water Supply (DAWS), which is the water in the portfolio that is physically, legally, and financially available to Avondale. There are currently 30,800 acre feet available annually for utilization. The current designation will expire on December 31, 2025, and the renewal process was followed by submitting a renewal application prior to December 31, 2023, with an increased long-term storage credit and decreased groundwater savings. The underground storage facility permit, referred to as the Avondale Wetlands USF, is also being renewed. Regarding the New River – Aqua Fria Underground Storage Project (NAUSP) that started in July 2023, with the conveyance of 18% of storage entitlements from Chandler, Avondale is now the majority holder of Storage Entitlements. Currently, 8% of the entitlements are short-term

leased back to Chandler, and there is an upcoming proposal for a short-term lease for 5% storage entitlements to Peoria.

In relation to Dam projects, the Roosevelt Dam Flood Control Space Temporary Deviation project is moving forward, with the next phase being an environmental assessment for the Habitat Conservation Plan by the Army Core of Engineers. This project does not require construction and is basically SRP changing their operating method to store flood water longer to meter out and deliver to customers. The Bartlett Dam Modification Feasibility Study is really the New Bartlett Dam Project. The water would be used for off projects. A recommendation has been submitted to the Bureau of Reclamation and is under review. The White Mountain Apache Tribe Water Lease remains the same. In accordance with statute, the Finance Department ensures the correct funds are in the capital program.

Mr. Pihl discussed projects focused on the water quality sector, noting they are staying in compliance with water quality requirements, working closely with regulators to stay in compliance, and implementing additional procedures to alleviate concerns with testing or sampling in the city. The following are current projects:

- ▶ Lead and Copper Rule Revision (LCRR)—a database documenting lead service lines and galvanized lines that require replacement because they possibly contain lead contamination. This project should be completed by October 16, 2024.
- ▶ Lead and Copper Rule Improvements (LCRI)—the EPA is still working on further clarification of the lead and copper rule.
- ▶ Unregulated Contaminant Monitoring Rule 5 (UCMR5)—all public water systems that serve more than 10,000 people must participate in the program every five years. This will be the City of Avondale's fifth year participating in the program.
- ▶ Per- and Polyfluoroalkyl Substances (PFAS)—also known as emerging contaminants or forever chemicals that are water resistant and used in a lot of different things. The EPA proposed National Drinking Water Standards for PFAS in March 2023, which is expected to be finalized in mid-2024 with a strategic approach to research, restrict, and remediate. Avondale is coordinating with the Arizona Department of Environmental Quality on PFAS-related issues and will be prepared to comply with EPA standards.
- ▶ Direct Potable Reuse (DPR) and Advanced Water Purification (AWP)—DPR cuts out the environmental buffer with a direct line from the advanced water treatment to drinking water treatment. Avondale is currently monitoring opportunities for indirect water exchanges, although they recently turned down an opportunity to work with Phoenix.

In response to Mayor Weise's question, Mr. Beaty explained the opportunity with Phoenix was declined due to the lack of the environmental buffer which is the recharge facility, and it was not necessary for us to invest in the cost share.

Mr. Beaty reviewed the capital improvement projects that secure the water system's resiliency, which is important during times of drought.

- ▶ Dredging Crystal Gardens Wetlands to remove the silt from sedimentation lakes.
- ▶ Replacing water wells #26, #25, #7, Encanto, and Blvd.
- ▶ Expansion of the Charles M. Wolfe Water Resource Center to a capacity of 12 million gallons per day.

In response to questions by Council Member Nielson, Mr. Beaty referenced the "Reduce Your Use Rebate Program," noting it is an Avondale-only program and discussing it in detail. Mr. Bay advised the dredged material from Crystal Gardens Wetland would go to the landfill.

In response to questions by Council Member Malone, Mr. Beaty explained staff are still working on the marketing details but anticipate they will start advertising in May.

In response to questions by Vice Mayor Pineda, Mr. Beaty discussed in detail House Bill 2366, noting Avondale's opposition stands alone but is also linked with AMWUA members. Currently, it has not passed the House, which is a good sign.

In response to a question by Mayor Weise, SRP is always releasing water because it is coming down the river for our use, and there are no spills indicated, but we will have to wait and see what Spring brings. What happens in California is on the wrong side, and we want to keep an eye on the upper Colorado River Basin. Mr. Bay discussed the financial impact when the EPA regulates PFAS, such as \$5–8 million for contactors per well, but they could put them on the boosters that serve multiple wells. It is not anticipated this would have to be done for approximately three years.

c. ANNUAL COMPREHENSIVE FINANCIAL REPORT FISCAL YEAR 2023

Brittney Williams, Engagement Partner with HeinfieldMeech, presented the 2023 audit results and findings, which have been presented to the Audit Committee. The presentation included an overview of the standards that guide the audit, which the auditors are required to adhere to, an independent auditor's report that stated the auditor's opinion on the financial statements, the audit reports issued and those to be issued, the single audit report that provides highlights from the full report, and the synopsis, which is one page that tells everything. The independent auditors' report gave a clean opinion, noting the financial statements are materially correct and they look good.

Renee Weatherless, Finance and Budget Director, reviewed the Corrective Action Plan for the significant deficiency in the financial statements. There was a total of five findings, but the three discussed were Operating Bank Account Reconciliation, Restricted Cash Accounts, and Investment Balance.

In response to the Mayor's question, Ms. Weatherless explained that this year and last year's audit results noted turnover; however, they believe to have the resources, capacity, and training in place, which is now part of our standard practice.

6. SUMMARY OF CURRENT EVENTS FROM MAYOR, VICE MAYOR, AND COUNCIL MEMBERS

Mayor Weise stated he is attending the NLC to hopefully meet with the legislative body. He is trying to set up a meeting with the National Association of Manufacturers to discuss the new EPA standards for PM2.5 and will let the Council know if the meeting gets scheduled. He noted Council Member Malone and himself may meet with Greg Stanton regarding the Rio Reimagine Project and will keep the Council updated.

7. ADJOURNMENT

There being no further business before the Council, Council Member Nielson moved to adjourn the Regular Meeting; Council Member White seconded the motion.

Upon vote, the motion was carried unanimously 7 to 0.

Council Member Conde	Aye
Council Member Malone	Aye
Council Member Nielson	Aye
Council Member Solorio	Aye
Council Member White	Aye
Vice Mayor Pineda	Aye
Mayor Weise	Aye

The meeting was adjourned at 6:33 p.m.


K Weise (Apr 8, 2024 19:10 PDT)

Kenn Weise, Mayor

CERTIFICATION AND ATTESTATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Council of the City of Avondale held on the 4th day of March 2024. I further certify that the meeting was duly called and held, and that the quorum was present.



Marcella Sarmiento, City Clerk

April 8, 2024

Date Approved by City Council