



CITY OF SURPRISE
Regular City Council Work Session Agenda
16000 N. Civic Center Plaza
Surprise, AZ 85374

Tuesday, June 21, 2016 @ 4:30 PM
COUNCIL CHAMBERS

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- A. Call To Order
- B. Roll Call
- C. Pledge of Allegiance
- D. Call To The Public:

INSTRUCTIONS: In order to address the City Council, you will need to fill out a Call to the Public Form available at the front counter, and then turn it in to the City Clerk before the meeting begins.

[Download the Call to the Public form](#) (PDF download requires [Adobe Acrobat Reader](#))

[Fill out the Call to the Public form online](#) If submitting form electronically, please submit to City Clerk at least one hour before the meeting start time.

The Call to the Public form is also available at the front counter.

Note: A.R.S. 38-431.01(H) - During this time members of the public may address City Council on any item not on the agenda. At the conclusion of the open call, City Council may respond to criticism, may ask staff to review the matter or may ask that the matter be put on a future agenda. No discussion or action shall take place on any item raised.

Approval of items on the Consent Agenda – all items with an asterisk (*) are considered to be routine matters and will be enacted by one motion and one roll call vote to the City Council. There will be no separate discussion on these items unless a Councilmember requests, in which event the item will be removed from the consent agenda and considered in its normal sequence on the agenda.

E. Regular City Council Work Session Agenda:

Regular Agenda Item - Non-Public Hearing:

1. District Citywide [Presentation and discussion regarding the potential adoption of a Public Art Program Ordinance which would dedicate 1 1/3% of the total cost of applicable City capital projects to fund public art.](#) No Action
Bob Wingenroth,
City Manager
2. District Internal [Presentation and discussion of the current state of the Colorado River System and CAP and the impacts on Arizona and Surprise.](#) None
Terry Lowe,
Director
Water Resource
Management
Department

F. Executive Session:

For information Purposes; Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, but for only the following purposes:

- discussion or consideration of personnel matters (A.R.S. §38-431.03 (A)(1));
- discussion or consideration of records exempt by law from public inspection (A.R.S. §38-401.03 (A)(2));
- discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03 (A)(3));
- discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation (A.R.S. §38-431.03 (a)(4));
- discussion or consultation with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03 (A)(5)); or
- discussion, consultation or consideration for international and interstate negotiations or for negotiations by a city or town, or its designated representatives, with members of a tribal council, or its designated representatives, of an Indian reservation located within or adjacent to the city or town. A.R.S. §38-401.03 (A)(6)).
- discussing or consulting with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03 (A)(7)).

Confidentiality Requirements Pursuant to A.R.S. §38-431.03(C)(D): Any person receiving executive session information pursuant to A.R.S. §38-431.02 shall not disclose that information except to the Attorney General or County Attorney by agreement of the City Council, or as otherwise ordered by a court of competent jurisdiction.

The council may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03(A)(3).

G. Adjournment:

SHERRY ANN AGUILAR, CITY CLERK, MMC

POSTED:

SPECIAL NOTE: PERSONS WITH SPECIAL ACCESSIBILITY NEEDS, INCLUDING LARGE PRINT MATERIALS OR INTERPRETER, SHOULD CONTACT THE CITY CLERK'S OFFICE @ 623.222.1200 OR TTY 623.222.1002, BY NO LATER THAN 24 HOURS IN ADVANCE OF THE REGULAR SCHEDULED MEETING TIME.



CITY OF SURPRISE
Regular City Council Work Session

June 21, 2016 @ 4:30:00 PM

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Council Meeting Date: June 21, 2016
Submitting Department: City Mgr
Staff Recommendations: No Action

Contact Person: Bob Wingenroth, City Manager
District: Citywide

Consent	Regular	Public Hearing	Report/Discussion
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Agenda Wording:

Presentation and discussion regarding the potential adoption of a Public Art Program Ordinance which would dedicate 1 1/3% of the total cost of applicable City capital projects to fund public art.

Motion:

None; discussion only.

Background:

On June 27, 2002, the City of Surprise Mayor and City Council established the Surprise Arts and Cultural Advisory Commission to advise on appropriate selections of public art for City buildings, parks and other public spaces. The Commission was also provided with a budget comprised of a one percent set aside from capital improvement program funds for public buildings, improvements to public buildings, open spaces and street construction (excluding utility projects).

During budget preparation for FY2010, a need was recognized to increase available operating revenues in the general fund. On February 26, 2009, the Mayor and City Council were presented with a recommendation to suspend the arts set aside and reallocate the remaining funds. The Mayor and City Council formalized this action with resolution number 09-29.

Recently, City Council has expressed a desire to revisit the potential of restoring funding for the city's public art program. In response to City Council's request, this item will include a presentation by staff and a facilitated discussion regarding the history of public art funding in the city, the potential of adopting the Public Art Program ordinance and exploring additional funding options such as the Art in Private Development which requires large, private retail and office developments to commission artwork on their property or support local cultural programs.

Objective Analysis:

Adopting the Public Art Program Ordinance will allow 1 1/3% of applicable City capital project funds to go to a dedicated Municipal Art Fund for commissioning and maintaining the City's public art program.

Policy Compliant:

The proposed Ordinance is consistent with City and Council policies.

Financial Impact:

None at this time; however, topics covered in this presentation could lead to future actions which may have a financial impact on the City's Capital Improvement Program funding.

Budget Impact:

None at this time; however, topics covered in this presentation could lead to future actions which may have a FY2018 budget impact on the City's Capital Improvement Program funding.

FTE Impact:

The number of full time equivalents (FTE) is not impacted by this item.

ATTACHMENTS:

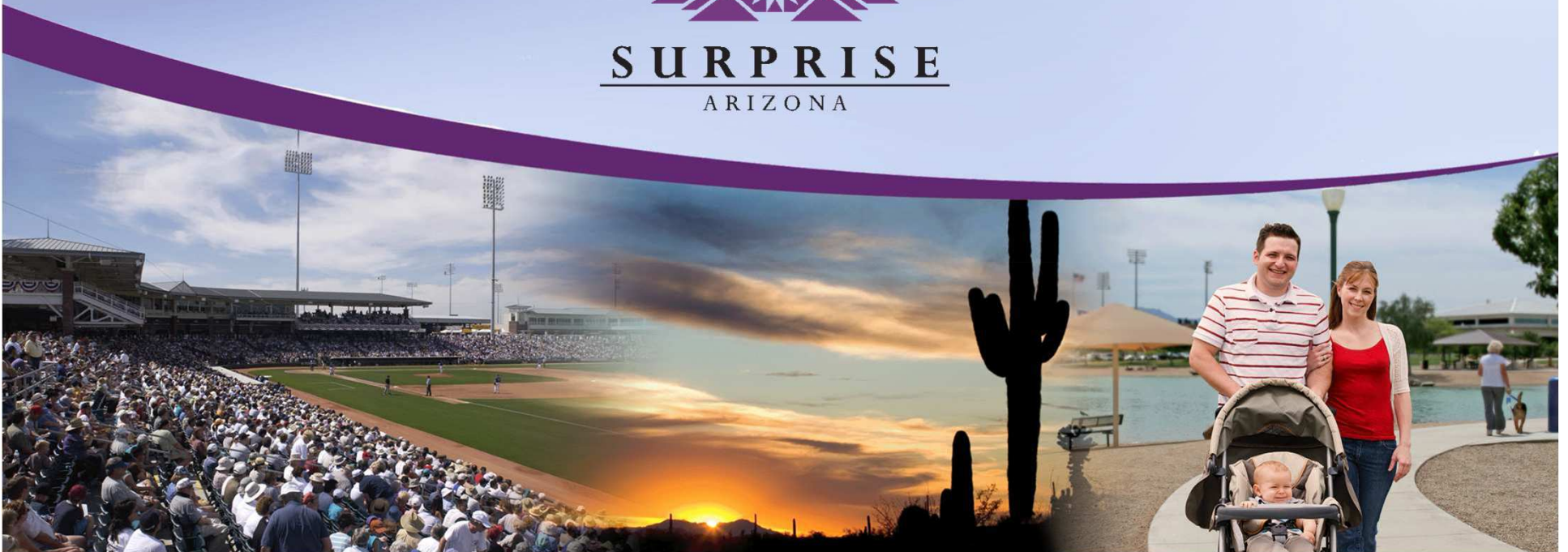
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Public Art Funding Program

City Council Work Session

June 21, 2016
Office of the City Manager



HISTORY OF PUBLIC ART FUNDING

- **Establishing the Arts & Cultural Advisory Board; Resolution #02-160**
- **Set Aside Funding**
- **Sweeping remaining funds in all set-aside accounts; Resolution #09-29**



PUBLIC ART FUNDING PROGRAM

- **Purpose**

- Allow one and one third percent of applicable City capital project funds to go to a dedicated Municipal Art Fund for commissioning and maintaining the City's public art program, effective July 1, 2017

- **Eligible Funds**

- Capital funds, including:
 - Bonds
 - Operating funds
 - General funds
 - Enterprise funds



PUBLIC ART FUNDING PROGRAM

- **Eligible City Projects**

- New capital projects over \$500,000

- Any building
 - Roads
 - Infrastructure
 - Structure
 - Park
 - Parking facility

- Exclusions

- Emergency work
 - Minor alterations
 - Ordinary repair or maintenance necessary to preserve a facility or infrastructure
 - Software system development
 - Vehicle replacement



PUBLIC ART FUNDING PROGRAM

- **Dedication of 1 1/3% to Public Art**

- City departments shall reserve an amount equal to 1 1/3% of its eligible capital project funds
- Exemptions
 - Restricted funds that preclude public art as an expenditure
 - Projects where construction has begun prior to July 1, 2017

- **Municipal Art Fund**

- Special city account for the public art program
 - Utilized for costs associated with the administration of the public art program, including the acquisition, the design, purchase and siting of public art

PUBLIC ART FUNDING PROGRAM

- **Administration**

- The Arts and Cultural Advisory Commission, through the City Manager, shall administer the Public Art Program and all Public Art Program projects in conjunction with the City Council

- **Siting of Art**

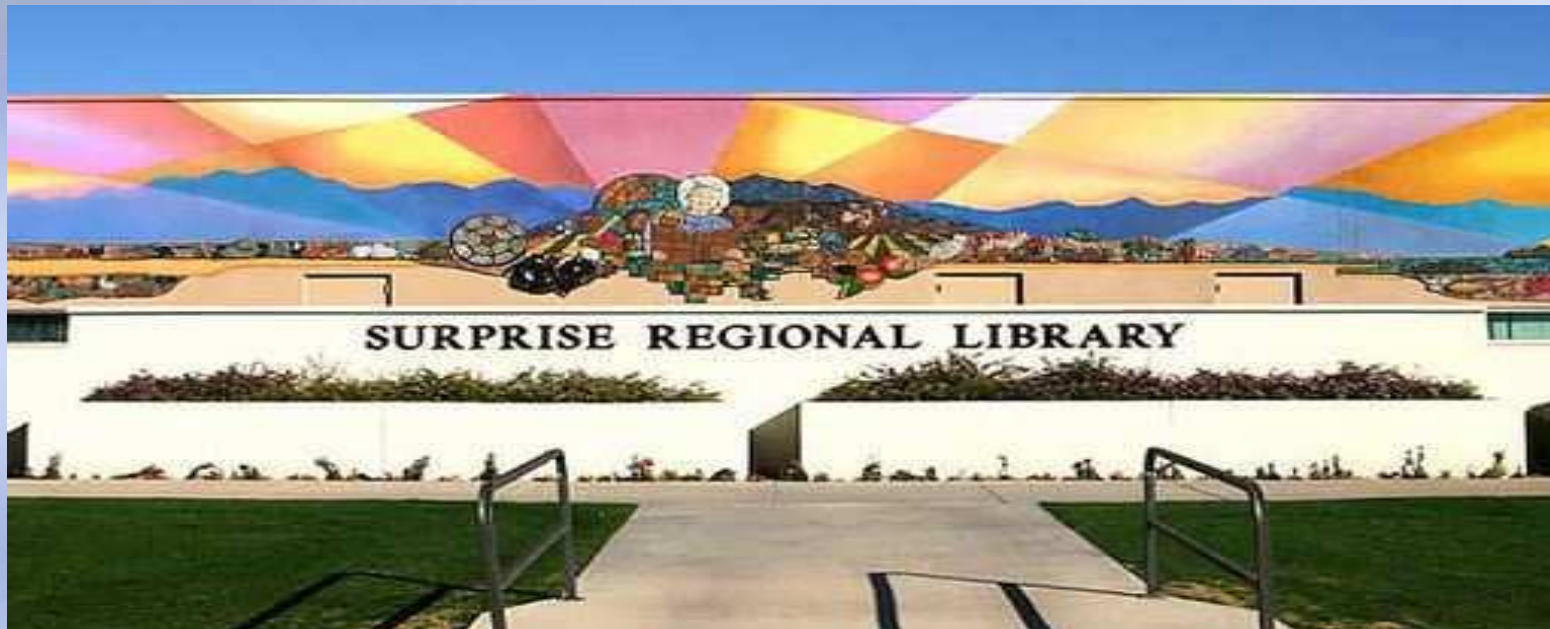
- Public art shall be eligible for citywide siting regardless of the department facility generating the percent and one third for art.

- **Program Guidelines**

- Program guidelines for public art shall be in accordance with City of Surprise Public Art policies, procedures and practices.

NEXT STEPS

- **Discuss:**
 - **The Public Art Funding Program**
 - Obtain direction on how to proceed



Questions | Comments



CITY OF SURPRISE
Regular City Council Work Session

June 21, 2016 @ 4:30:00 PM

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Council Meeting Date:	June 21, 2016	Contact Person:	Terry Lowe, Director Water Resource Management Department
Submitting Department:		District:	Internal
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion
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Agenda Wording:

Presentation and discussion of the current state of the Colorado River System and CAP and the impacts on Arizona and Surprise.

Motion:

N/A.

Background:

The Colorado River system has experienced extensive drought conditions for nearly 16 years, resulting in the water level of Lake Mead dropping to historical low levels. The water levels in Lake Mead determine the amount of Colorado River water Arizona receives on an annual basis. The river supplies nearly 40 percent of Arizona's total water use. A large portion of Surprise's renewable water supply is from the Colorado River and delivered by the Central Arizona Project (CAP). The Colorado River supply is of utmost importance and has a direct impact on City's water portfolio and future.

Objective Analysis:

Policy Compliant:

This is consistent with the City's Strategic Plan.

Financial Impact:

None at this time. However, should shortages take effect, the City will see significant financial impacts to the Water Operations Fund.

Budget Impact:

The FY2017 Tentative budget includes a total of \$1.79M within the Water Operations Fund for CAP recharge of the City's existing water allocation. This amount does not include potential increases

associated with shortages.

FTE Impact:

This item does not change the full time equivalent count.

ATTACHMENTS:

Click to download

☐ [Presentation](#)

UPDATE ON CAP AND THE COLORADO RIVER SYSTEM

Council Workshop Session

June 21, 2016

Water Resource Management



AGENDA



- RECAP
- CURRENT PROJECTIONS
- ARIZONA'S PLANS
- IMPACT TO SURPRISE
- WHAT CAN SURPRISE DO?

RECAP



- June 16, 2015 – Presentation by Frank Fairbanks, Central Arizona Water Conservation District (CAWCD) Secretary, Treasurer
- Overview of CAP System
 - 336-mile aqueduct from Lake Havasu to Tucson
 - 14 pumping plants to lift water 3000 ft
 - 8 siphons, 3 tunnels
 - New Waddell Dam/Lake Pleasant
 - Delivers 1.6M Acre-feet water annually

CAP and the Economy

- Provides 80% of water to approx. 5.4M people
- The largest single-end user of power in the state
- Per an ASU study; CAP's economic benefit is \$100B per year, generating more than 1.6M jobs

Colorado River Water Supply (LAKE MEAD)

- June 8, 2015 : Elevation 1076' (37% capacity)
- Shortages on the River are called in August based on the projected January levels and take affect in January of the new year

RECAP

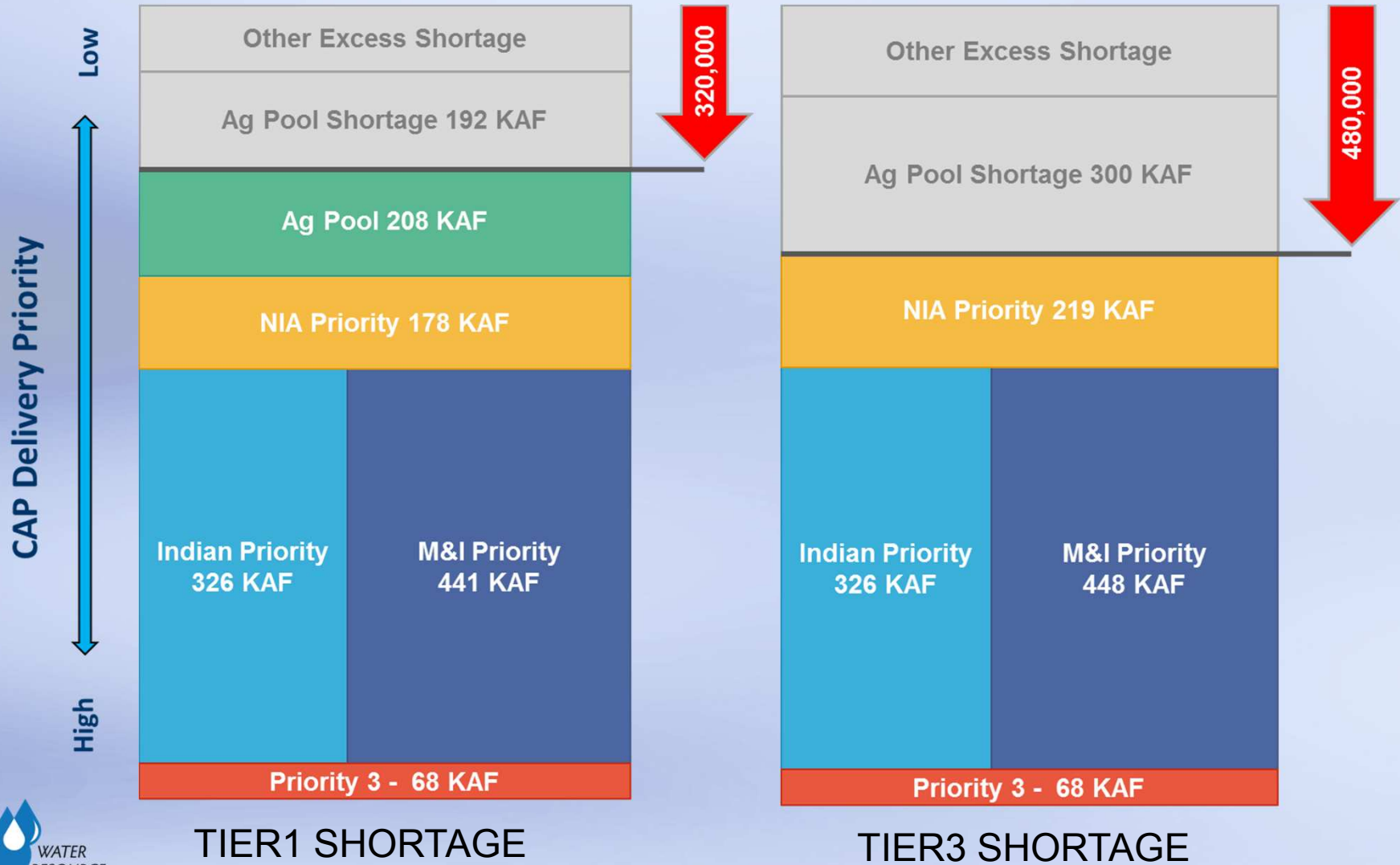


- Arizona and Nevada share Lower Basin shortages under a 2007 Shortage Guidelines Agreement among the states.
- Mexico voluntarily agreed to accept reductions in its deliveries at the same elevations.
- No reductions to California under the 2007 Guidelines.

Lake Mead Elevation	Arizona Reduction	Nevada Reduction	Mexico Reduction
1075'	320,000 AF	13,000 AF	50,000 AF
1050'	400,000 AF	17,000 AF	70,000 AF
1025'	480,000 AF	20,000 AF	125,000 AF

Dead Pool Elevation = 895' (2.0 MAF)

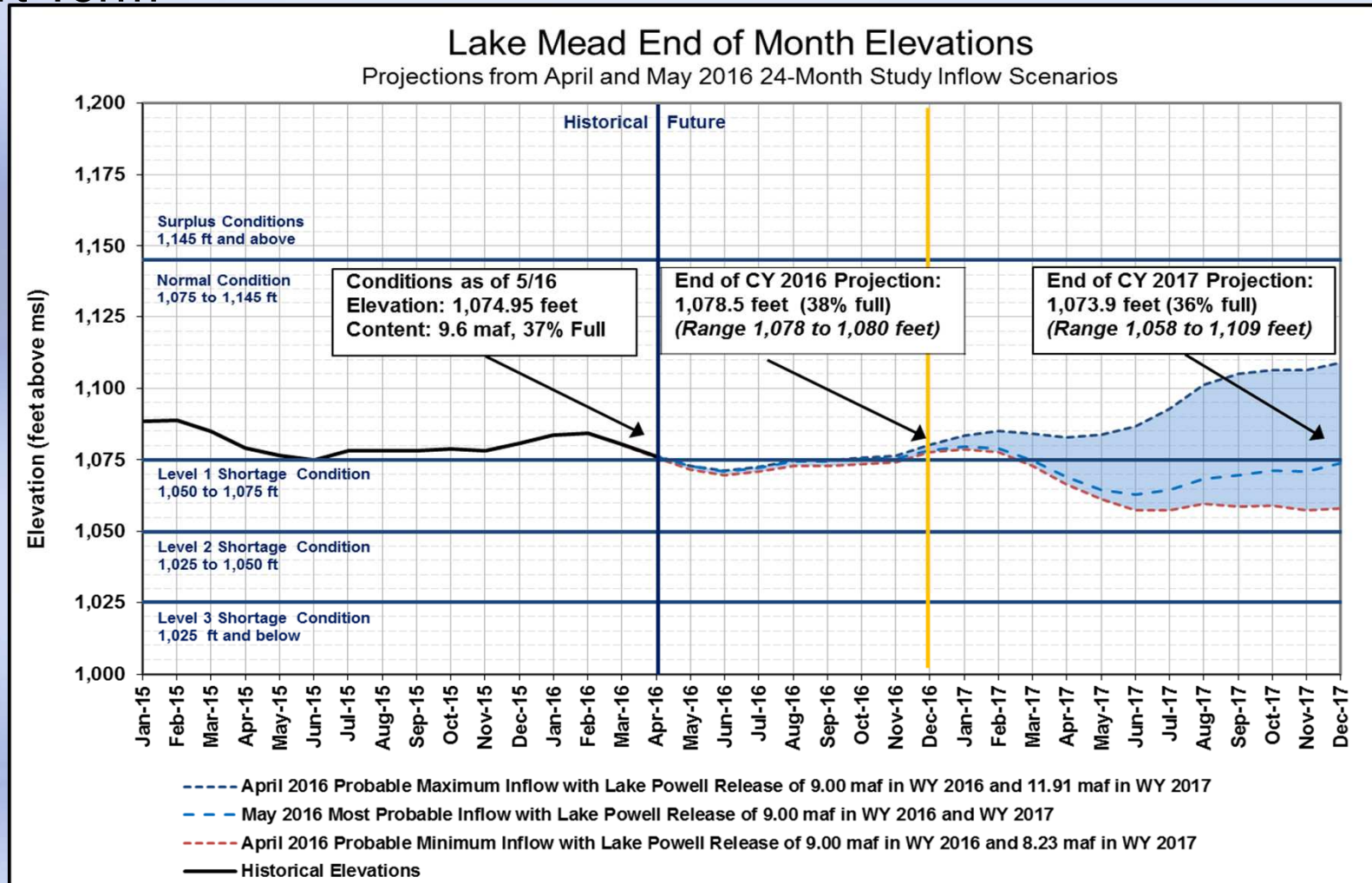
RECAP



CURRENT PROJECTIONS



- Short Term



CURRENT PROJECTIONS



Probability of Shortage Declarations on Lake Mead

Lake Mead Operating Condition	2017	2018	2019	2020	2021
Shortage Condition of any amount (Mead $\leq$ 1,075 ft)	10	56	64	64	61
<i>Shortage – 1st level (Mead $\leq$ 1,075 and $\geq$ 1,050)</i>	<i>10</i>	<i>56</i>	<i>46</i>	<i>40</i>	<i>33</i>
<i>Shortage – 2nd level (Mead $<$ 1,050 and $\geq$ 1,025)</i>	<i>0</i>	<i><1</i>	<i>18</i>	<i>18</i>	<i>18</i>
<i>Shortage – 3rd level (Mead $<$ 1,025)</i>	<i>0</i>	<i>0</i>	<i><1</i>	<i>6</i>	<i>10</i>

Source: BOR 2016

ARIZONA'S PLANS



Arizona has been prepared

- Arizona Water Banking Authority (AWBA)
- Statewide Drought Plan
- Mandatory municipal provider drought response plans



ARIZONA'S PLANS



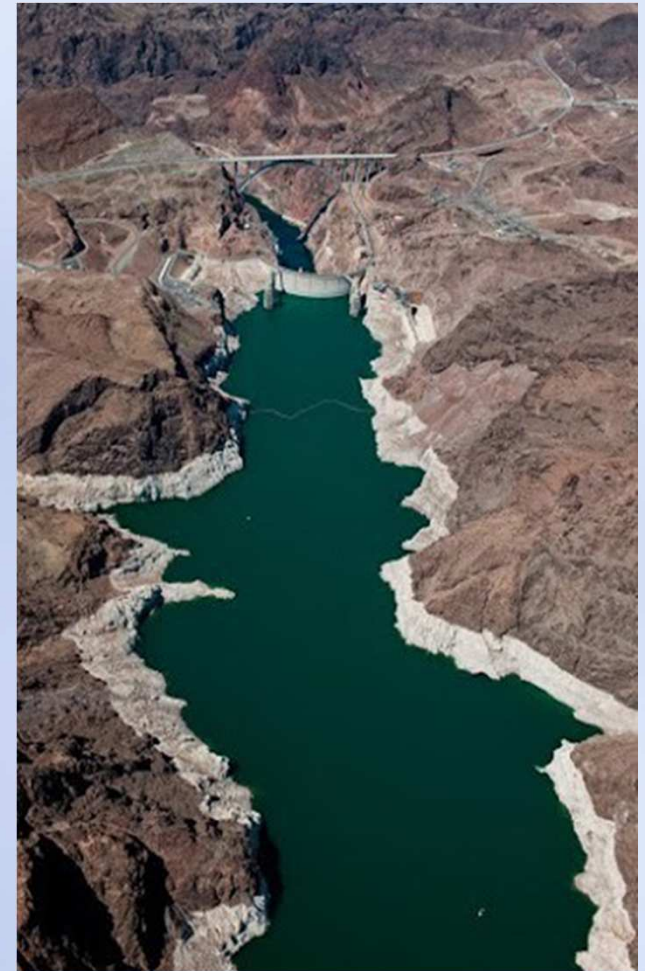
- New Voluntary Reservoir Protection Efforts Underway:

1. Lower Basin Pilot Drought Response Actions MOU (LB MOU)

Interstate Plan Targeting 740,000 AF of New Storage in Lake Mead
CAP's Share is 345,000 by 2017

2. Pilot System Conservation Program (PSCP)

Interstate funding to conserve 75,000 to protect Lake Mead/Powell
Conservation research grant program



ARIZONA'S PLANS



- ✓ CAP's MOU target will be complete by end of 2016.
- ✓ PSCP partners will have conserved 50kaf by end of 2016
- ✓ BOR and SNWA will have conserved 44kaf by end of 2016.
- ✓ Combine effort equates to 5.5' in Lake Mead.

LB MOU '14 – '17 Volumes:

CAP = 345 KAF
MWD = 300 KAF
BOR = 50 KAF
SNWA = 45 KAF

740 KAF

~75 KAF

PSCP Phase 1 '15-'16:

Total funding = \$11 M
(\$8.25M LB/\$2.75M UB)

BOR = \$3M

CAP = \$2M

SNWA = \$2M

MWD = \$2M

Denver Water = \$2M

PSCP Phase 2 '16 –'17:

Total funding = \$7.5 M
(\$6.5 M LB/\$1.0M UB)

BOR = \$4M

CAP = \$1M

SNWA = \$1M

MWD = \$1M

Denver Water = tbd

ARIZONA'S PLANS



Lower Basin Pilot Drought Response Actions MOU (LB MOU)

Lake Mead Elevation	AZ [2007]	AZ [Plan]	AZ TOTAL	NV [2007]	NV [Plan]	NV TOTAL	CA [2007]	CA [Plan]	CA TOTAL	BOR	TOTAL
1090-1075	0	192K	192K	0	8K	8K	0	0	0	100k	300k
1075-1050	320K	192K	512K	13K	8K	21K	0	0	0	100k	633k
1050-1045	400K	192K	592K	17K	8K	25K	0	0	0	100k	717k
1045-1040	400K	240K	640K	17K	10K	27K	0	200K	200K	100k	967k
1040-1035	400K	240K	640K	17K	10K	27K	0	250K	250K	100k	1,017k
1035-1030	400K	240K	640K	17K	10K	27K	0	300K	300K	100k	1,067k
1030-1025	400K	240K	640K	17K	10K	27K	0	350K	350K	100k	1,117k
<1025	480K	240K	720K	20K	10K	30K	0	350K	350K	100k	1,200k

Tier 1 Shortage (2015 Projections)

- 320,000 AF $\approx$ 20% reduction in diversions and deliveries
- 20% reduction in diversions will result in a 25% increase in the Fixed OM&R Rate
 - E.g., for 2016: Fixed OM&R Rate would become \$103/AF versus the published (non-shortage) rate of \$83/AF (excludes \$2/AF rate stabilization component).
- Energy rate would become \$78/AF versus \$76/AF
- Total delivery rate would be \$181/AF versus \$159/AF, resulting in a 13.7% increase.

WHAT CAN SURPRISE DO?



REGIONALLY

- Evaluate and Support Conservation Programs to leave water in Lake Mead
 - BOR Pilot System Conservation Program Proposal
- Partner with CAP and the AWBA in Exploring Recovery Opportunities

WHAT CAN SURPRISE DO?



LOCALLY

- Enhance Water Conservation Programs to Maximize amount of Long Term Storage Credits (LTSCs) Banked
- Acquire additional LTSCs
- Maximize amount of Reclaimed Water Recharged
- Enhance Public Education to help Residents Understand and Prepare for Potential Water Rate Increases

QUESTIONS?

