

**MINUTES OF THE GILBERT PUBLIC WORKS ADVISORY BOARD, IN REGULAR MEETING OF MONDAY, OCTOBER 30, 2023, AT 3:00 PM, MUNICIPAL BUILDING I, HERITAGE CONFERENCE ROOM 300, GILBERT, ARIZONA**

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**MEMBERS PRESENT:** Vice Chair Sam Elliott; Members David Barazoto (virtual), Matt Carpenter, Greg Froehlich, Karen Goldwasser, Eric McLeskey, Jason Gilmore and Jason Robinson

**MEMBERS ABSENT:** Chair Fariya Sharif

**STAFF PRESENT:** Assistant Public Works Directors Eric Braun and Giao Pham, Assistant Town Manager Leah Rhineheimer, Water Manager Rebecca Hamel, Solid Waste & Recycling Manager Paul Montes, Office of Management and Budget Director Kelly Pfost, Administrative Assistant Tonya Holmes and Digital Media Marketing Officer Kailey Latham

**GUESTS PRESENT:** Council Liaison Yung Koprowski

**ADMINISTRATIVE ITEMS**

**1. Call to Order**

Vice Chair Elliott called the meeting to order at 3:01 p.m.

**2. Roll Call**

Administrative Assistant Tonya Holmes called roll and declared a quorum present.

**AGENDA ITEMS**

**3. Approve October 16, 2023 Minutes**

A MOTION was made by Member Robinson, seconded by Member Carpenter, to approve the October 16, 2023 meeting minutes. Motion passed unanimously.

#### 4. Review of Bylaws

A MOTION was made by Member McLeskey, seconded by Member Robinson to adopt the bylaws. Motion passed unanimously.

#### 5. Rate alternatives presentation and development of Council recommendation.

Assistant Director Braun shared a presentation, “Water and Solid Waste & Recycling Rates and 5-Year Plans, Public Works Advisory Board Recommendation Workshop” and explained that the Board’s recommendation to Council would be in the form of a letter. The presentation included Draft Letter Main Ideas for consideration and a recap of the 5-year plan Water CIP related projects. Items programmed inside the 5-year budget have a total estimated cost of \$920 million dollars and include projects currently under construction as WA1589 – North Water Treatment Plant Reconstruction, replacements associated with Streets projects as ST1320 – Elliot and Gilbert intersection and ST1800 – Cooper Rd, Encinas to Baseline, Critical Projects from the Integrated Water Resources Master Plan (IWRMP) as WA1640 - Fire Flow Improvements Phase 1 and WA1638 – Relief Transmission Main 2, Water Rights and Resiliency Projects as WA1609 – Site 36 Well Development and WA1631 – Water Rights, SRP CAP Interconnect, Regulatory Compliance Driven Projects as WA1617 – Lead and Copper Compliance Program and WA1625 – Desert Sky Utilities Improvements, and to begin funding pipeline replacements as WA1597 – ACP Water Line Replacements.

Assistant Director Braun explained processes and provided more detail on short-term and long-term specifics, such as funds to be used to pay for current known projects in the 5-year plan, with review every two years of current conditions and other items that arise. Rate increase will not only pay back the bond but also provide more funding for future needs. Cash Option brings in approx \$85M each year, which starting in FY29, would allow a 6M capacity budget to begin.

Assistant Director Braun also presented a recap of Solid Waste & Recycling Cost Pressures such as increased volume and tipping fees, equipment repair and maintenance and recycling market vitality. He shared data related to the average number of truck breakdowns, average number of trucks out of service each day, average number of trucks out of service per month and average ASL (Automated Side Loaders) age. He explained that currently, the average time to order and receive new trucks is 2 years and 47% of Gilbert’s fleet has reached its life expectancy. This potential funding would cover 19 replacement trucks.

Assistant Director Braun then presented a Discussion and Decision-Making exercise for all Board Members to participate in, regarding which Water and Solid Waste & Recycling Rate Option to recommend to Town Council. Members were given a QR Code to scan from their connected devices for access to the exercise titled “Decision Framework – Let’s Make a Hard Decision Easier”, where they entered responses to six questions related to the 3 options of funding; Cash Funded, Bond Funded and Cash Gradual Funded.

Responses in exercise sparked discussion that included the process of current and future rate increases, as well as the possibility of some residents falling behind on their bill and facing turn off due to a large increase at once. Staff advised there are several Town and community programs already in place to assist residents in need. Deputy Town Manager Rhineheimer advised that these particular funds would be designated for the projects and needs of the replacement fund, however, the Council always has authority to look into and re-appropriate funds if necessary. Questions regarding the specifics of using and repaying bonds were answered by Office of Management and Budget Director Pfof, who explained that property tax bonds are different than this bond, which would be paid back with the water fund. Deputy Town Manager Rhineheimer explained that the Cash Gradual Funded Option would coincide with other utilities that will also have rate increases.

Following discussions from the exercise responses, Assistant Director Braun presented decision categories for Members to rate by importance; “Impact to Customer”, “Appropriate Long-term Funding of CIP”, Funding the R&R (repair & replacement) Fund”, “Total Cost of Ownership for Customers” and “Others”.

At 4:45pm, meeting took a brief break for attendees to get refreshments, resuming at 4:59pm, at which time Members completed the multi-layer rating exercise.

Total unweighted rating from the exercise rated Cash Option in first, Cash Gradual Option in second and Bond Option in third. A weighted rating was also given, reflective of results for most important factor; “Customer Impact (short term)”, “Operating Capacity”, “Best Funds the R&R (Repair and Replacement) Fund”, “Total Cost of Ownership” and “Customer Impact (long term)”. Total weighted scores from the exercise also rated Cash Option in first, Cash Gradual Option in second and Bond Option in third.

Member Goldwasser inquired about the timeline and process for public comments and questions and whether the Board would continue with efforts, whatever the outcome was, or If they would be moving on to something else. Director Marlow and Assistant Director Braun advised that staff would be holding many public

sessions between the submittal of the letter of recommendation and the Council Meeting of action for item and that Staff is looking into various ways Board Members can assist with the sessions and messaging.

Member Barazoto noted that the interest paid on the Cash Option placed cost of membership on residents more so than the Town. Member McLeskey mentioned the Cash Gradual Option may be better for residents to “ease” into the 130% increase. Member Barazoto asked if the Board’s vote for which option to proceed with, had to be unanimous. Council Member Koprowski advised that the option to move forward with would be determined by majority vote from Board Members and suggested Members choose the preferred option to recommend and add three bullet points as to why they selected that option.

A MOTION was made by Member Carpenter, seconded by Member Gilmore, to recommend the Cash Gradual Option. MOTION passed unanimously.

Assistant Director Braun passed out a hard copy of the drafted letter of recommendation to Council for Members to review. Director Marlow emailed a copy to virtual attendee, Member Barazoto. The drafted letter was projected on screen and edited by Assistant Director Braun to insert the Cash Gradual Option recommended by the Board.

Council Member Koprowski reflected on a comment that was made regarding the Cash Option potentially creating confusion for residents, in thinking this increase will be all that is needed for 5 years, when future needs are unknown. She recommended adding verbiage to the letter of recommendation that this option “provides the Town flexibility of future evaluations that may cause other increases” and including the mention of “a Board of citizens have reviewed the specifics and have come to the consensus that this was the best option based on all criteria.” Member Carpenter suggested adding the “flexibility” verbiage for residents as well to aid in balancing the impact for the residents, addressing the short and long-term needs, while allowing the residents to plan and adjust to the rate increases. Assistant Director Braun edited the projected draft letter accordingly.

Assistant Director Braun advised that the Board’s letter of recommendation will be presented to Council at the Council Retreat on October 6<sup>th</sup>, allowing time for their review before going to the November 28<sup>th</sup> Council Meeting for formal action.

Member Goldwasser asked for clarification on her question submitted prior to the meeting regarding future agenda item requests. Staff advised a formal process is in review and will be defined once complete. Member Goldwasser also provided comments on first class mail in relation to messaging for the residents. Deputy Town

Manager Rhineheimer advised Staff will determine a messaging plan and will bring that back to the Board.

A MOTION was made by Member McLeskey, Seconded by Member Froelich to convert the draft letter to a final draft. MOTION passed unanimously.

**COMMUNICATIONS**

**6. Report from Staff**

There was no report from Staff.

**7. Report from Board Members**

There was no report from Board Members.

**8. Report from Council Liaison**

There was no report from Council Liaison.

**9. Report from Chair**

There was no report from Chair.

**10. Future Agenda Items**

CM K stated that she is ready to make the presentation on Sister Cities Recycling but is unable to present it at the November 13<sup>th</sup> Public Works Advisory Board meeting. She may be able to present at the following meeting and requested Solid Waste & Recycle staff to be present for it.

**CONCLUSION**

**11. ADJOURN**

Vice Chair Sam Elliott adjourned the meeting at 6:05 p.m.

**ATTEST:**

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Sam Elliott, Vice Chair

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Giao Pham, Staff Liaison