

MINUTES OF THE GILBERT PUBLIC WORKS ADVISORY BOARD, IN REGULAR MEETING OF MONDAY, OCTOBER 14, 2024, AT 3:00 PM, MUNICIPAL BUILDING I, HERITAGE ROOM 300, GILBERT, ARIZONA

MEMBERS PRESENT: Vice Chair Sam Elliot, Members Karen Goldwasser, Eric McLeskey, Matt Carpenter, Greg Froehlich, David Barazoto, Jason Gilmore and Jason Robinson

MEMBERS ABSENT: Chair Fariya Sharif and Member Jason Gilmore

STAFF PRESENT: Public Works Director Jessica Marlow, Assistant Public Works Directors Eric Braun and Giao Pham, Wastewater Manager Patty Jordan, Management and Budget Director Kelly Pfof, Administrative Assistants Tonya Holmes and Haley Harper, Digital Media Marketing Deputy Director Jennifer Harrison

GUESTS PRESENT: Councilmember Yung Koprowski , guest from Times Media Group

ADMINISTRATIVE ITEMS

1. Call to Order

Vice Chair Elliott called the meeting to order at 3:04 p.m.

2. Roll Call

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

AGENDA ITEMS

3. Approve September 16, 2024 Minutes

A MOTION was made by Vice Chair Elliott, seconded by Member Goldwasser, to approve the September 16, 2024 meeting minutes. Motion passed unanimously.

4. Annual Selection of Chair and Vice Chair

Member Carpenter nominated Vice Chair Elliott for Chair, Member Goldwasser seconded, Board voted all in favor. Member Froehlich nominated Member Barazoto for Vice Chair, Member Goldwasser seconded, Board voted all in favor.

5. Wastewater Rate Options

Director Braun shared a presentation reviewing multiple funding options for Wastewater operating and repair projects, addressing Wastewater needs, including new positions, Sewer projects and Reuse projects. He explained that best practice is to review rates every two years, which Gilbert does by alternating the four services, reviewing two at a time, to spread out the impacts to customers. This year, Environmental Compliance and Wastewater were reviewed. The Environmental Compliance Operating Fund and Repair & Replacement Fund are currently sufficient for the 5-year plan, and a rate increase is not needed. The Wastewater Operating Fund and Repair & Replacement Fund are not projected to fulfill the needs of projects listed in the 5-year plan, and more funding is needed. He also shared details and impacts of cash funded vs bond funded, stating Cash funded results in no additional debt, but may cause higher Wastewater rates for customers, while with Bond funded the rate is smooth, projects are paid for by users, but interest could add 50% to project total cost.

Member Elliott asked the difference between this bond and the bond that was voted on two years ago. Director Pfof gave information pertaining to both and explained Gilbert currently has Water bonds but does not have any Wastewater bonds.

Director Braun continued with four funding options, sharing details and impacts of each. Option A, a cash/bond mix showed a 55% rate increase, resulting in \$7M Operating fund balance and \$23M Repair & Replacement fund balance in Fiscal Year (FY) 30+. Option B showed all cash funding with a 95% rate increase, \$20M Operating fund balance and \$39M Repair & Replacement fund balance in FY30+. Option C was for Max Bonds, showing a 30% rate increase, \$6M in Operating fund balance and \$10M Repair & Replacement fund balance for FY30+. Option D showed a phased cash/bond mix with a 25% rate increase in FY25 and 18% rate increase in FY 26 and \$9M operating fund balance and \$17M Repair & Replacement fund balance in FY30+

Director Braun also displayed draft estimate examples of residential bill impacts that included a sewer only impact and a water/sewer impact from the previous water rate increase. He also explained the three different types of users for reclaimed water use. Direct Use, Indirect - Customer Well, and Indirect - Town Well

and how those rates would change with Option A, B, C and D. Board Members and Staff shared questions and conversation and Members will provide a recommendation at a future meeting.

COMMUNICATIONS

6. Report from Staff

No report from Staff

7. Report from Board Members

Member Goldwasser inquired if the topic of toll roads could be placed on a future agenda. Director Pham advised he will reach out to counterparts to see if that is a feasible option.

8. Report from Council Liaison

No report from Council

9. Report from Chair

No report from Chair

10. Future Agenda Items

Wastewater Recommendations
AT&T Gigapower

CONCLUSION

11. ADJOURN

Vice Chair Elliott adjourned the meeting at 4:49 p.m.

ATTEST:

Sam Elliott, Vice Chair

Giao Pham, Staff Liaison