



SUSTAINABILITY & TRANSPORTATION COMMITTEE

September 24, 2012

The Sustainability & Transportation Committee of the City of Mesa met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on September 24, 2012 at 3:30 p.m.

COMMITTEE PRESENT

Dina Higgins, Chairwoman
Dennis Kavanaugh
Dave Richins

COMMITTEE ABSENT

None

STAFF PRESENT

Kari Kent
Donna Bronski

1. Items from citizens present.

There were no items from citizens present.

2-a. Hear a presentation, discuss and make a recommendation regarding approval of a cable license with CenturyLink for the use of specified public right-of-way within the City of Mesa.

City Engineer Beth Huning introduced Chief Technology Officer Dale Shaw, who was prepared to assist with the presentation.

Ms. Huning reported that City streets are designed to serve as corridors in order to centralize City and non-City utilities in the right-of-way. She stated that with respect to non-City utilities, Mesa has entered into agreements with various entities to establish the placement of their respective systems in the public right-of-way.

Ms. Huning also indicated that over the last year, staff has developed a Right-of-Way Management Program and noted that in that regard, Engineering recently hired Right-of-Way Manager Laurie Greco, who will serve as the City's single point of contact for work performed by utilities/telecommunications companies in public rights-of-way. She noted that in the meantime, Mr. Shaw negotiated the current two agreements (2a and 2b) and will briefly discuss those items.

Mr. Shaw displayed a PowerPoint presentation (**See Attachment 1**) and explained that since the Council has not considered or approved a cable license agreement in quite some time, he thought it would be appropriate to provide a short synopsis of "Cable License Basics." (See Page 2 of Attachment 1)

Mr. Shaw stated that with respect to the CenturyLink Cable License Agreement, it was the City's approach that it be consistent with the existing Cox agreement within Mesa. He noted, however, that it was necessary for the City to make certain adjustments, per Federal guidelines, since CenturyLink was the second market entrant. Mr. Shaw added that the City asked CenturyLink to co-terminate the agreement with Cox so that if it were necessary to make any adjustments, they could be included in both agreements and thereby maintain a level of consistency.

In response to a question from Chairwoman Higgins, Mr. Shaw clarified that with a first market entrant, the City can require a build-out schedule, but said that such a requirement is prohibited with a second market entrant.

Mr. Shaw, in addition, advised that similar to the Cox agreement, CenturyLink will provide public access channels, including Mesa Channel 11, educational programming and public safety channels. He pointed out that the cable license agreement also includes regular deployment review and City staff input to ensure that CenturyLink's plans for the market are consistent with the City's vision. Mr. Shaw further noted that CenturyLink will pay the City fees up to 5% of the revenue it receives from offering cable television services.

Mr. Shaw highlighted a series of local authority "dos and don'ts" with respect to cable service in the community. (See Page 3 of Attachment 1)

Mary LaFave, a Director with CenturyLink, introduced Ken McMahon, Vice President and General Manager for CenturyLink in the Phoenix metro area. She also recognized Jeff Maratola, CenturyLink Director of Legislative Affairs, and Jeff Mirasola, CenturyLink Director of Local Government Affairs, who were present in the audience.

Mr. McMahon addressed the Committee and reported that CenturyLink, which operates in 37 states, is the third largest telecommunications provider in the country. He stated that in 2011, the company had pro forma revenues of \$18.5 billion to \$18.8 billion and remarked that its customers range from Fortune 500 companies to rural residential homeowners.

Mr. McMahon also spoke regarding CenturyLink's local operating model and indicated that he, as opposed to someone in a corporate headquarters thousands of miles away, works with City officials and identifies the best communities in which to invest. He explained that CenturyLink has a commitment to give back to Mesa, as demonstrated by Jeff Mirasola's service on the Mesa United Way Board of Directors, and the efforts of Ken Lanzel, a CenturyLink Area Operations Manager, who serves as an active member of the Mesa Chamber of Commerce.

Mr. McMahon further discussed CenturyLink's Prism TV product, which has been launched in eight markets and has over one million capable households across its footprint. He said that the TV services are delivered over a broadband connection to the home and added that it was the first product in the Phoenix market that integrates a consumer's Internet experience with their video experience.

Committeemember Kavanaugh commented that he was "a battle-scarred veteran" of franchise agreements with Cox Communications and Cable America in Mesa and said that the City's agreement with Cox is "a very interesting one." He stated that he understood staff's desire to

enter into an agreement with CenturyLink that is similar to its agreement with Cox and expressed support for the City and CenturyLink co-terminating the agreement with Cox.

Committeemember Kavanaugh also remarked that for many years, he has served on the National League of Cities' Information Technology and Communications Steering Committee and said he has supported CenturyLink's efforts to expand broadband. He expressed appreciation that CenturyLink employees are members of Mesa United Way and the Mesa Chamber of Commerce and hoped that such support would expand to other institutions and nonprofits in the community.

Committeemember Kavanaugh further noted that when cities enter into a cable franchise agreement such as this, they often negotiate and request a grant from the telecommunications company in an effort to upgrade equipment that will be used for educational purposes in the community. He urged the parties to consider such a concept and added that he had a specific proposal that would allow CenturyLink to play a role in an innovative program that has not yet been implemented anywhere in the country.

Committeemember Kavanaugh advised that the Mesa Municipal Court and Mesa Channel 11 are exploring the possibility of televising Traffic Court proceedings. He explained that in order for such programming to occur, it would be necessary to upgrade a variety of equipment. He stated that not only would such programming create great interest among residents, but also provide an opportunity for citizens to understand "the rules of the road," traffic laws and what to do if they are called for jury duty.

Committeemember Kavanaugh reiterated that he would hope CenturyLink would be in a position to provide such a grant upfront in order to assist the City in upgrading equipment and pointed out that such a request is not unusual. He also remarked that CenturyLink is bringing a great service to the community with the expansion/availability of broadband.

Committeemember Kavanaugh, in addition, commented that it was his understanding that CenturyLink would provide "drops" at City-owned buildings, as well as for educational purposes, including the Benedictine University Services Center and the Mesa Center for Higher Education.

Ms. LaFave clarified that with respect to capital grants, approximately five years ago the Arizona statute dealing with cable franchises was amended, including defining and placing limits on what a telecommunications company could contribute to a municipality. She advised that in speaking with City staff, if CenturyLink issued a capital grant, such monies would be offset against the cable franchise fees it would pay to the City.

Ms. LaFave assured the Committee that CenturyLink was more than willing to consider capital grants, but would prefer to do so on "a back-loaded basis." She noted that the company would like to take any available capital that it has and "put it into the ground" to expand its Prism footprint.

Committeemember Kavanaugh stated that he understood CenturyLink's preference, but questioned whether his request was prohibited by State law.

Ms. LaFave reiterated that the law indicates that if CenturyLink made a capital payment to the City, the company would not pay franchise fees until such costs were recouped. She stressed that it was really a question of CenturyLink working with the City and the parties understanding their respective needs.

Responding to a question from Committeemember Kavanaugh, Mr. Shaw stated that the provision that allows the City to receive a grant in lieu of normal fees is contained in the agreement.

Committeemember Kavanaugh clarified his inquiry as follows: Before the cable franchise agreement is approved, can the parties enter into a separate agreement for a capital grant?

Ms. LaFave responded that it would be necessary for her to speak with her legal team to seek greater clarity with respect to Committeemember Kavanaugh's inquiry.

Committeemember Kavanaugh requested that staff and CenturyLink follow up on his inquiry.

Discussion ensued relative to the process by which CenturyLink would install the fiber optic cables; that the company's initial phase would be to leverage the existing infrastructure, which would not require additional build activity; and that there would be 15 Fiber-to-the-Node builds in Mesa in order for CenturyLink to expand its network.

In response to a question from Chairwoman Higgins, Deputy City Manager Kari Kent clarified that if the Committee forwards this item to the full Council, prior to the Council taking action on the matter, staff will update the Council at a Study Session with respect to Committeemember Kavanaugh's inquiry.

It was moved by Committeemember Richins, seconded by Committeemember Kavanaugh, to recommend to the Council that a cable license with CenturyLink for the use of specified public right-of-way within the City of Mesa be approved.

Carried unanimously.

Chairwoman Higgins thanked everyone for the presentation.

2-b. Hear a presentation, discuss and make a recommendation regarding approval of an amendment to an existing License Agreement to transfer the License from AGL Networks, LLC (AGLN) to Zayo Fiber Solutions, Inc. (ZFS).

Chief Technology Officer Dale Shaw reported that this item will allow the transfer of the License from AGL Networks (AGLN) to Zayo Fiber Solutions (ZFS), which acquired the assets of AGLN for a communications license that makes use of the City's right-of-way.

Mr. Shaw commented that the current agreement includes a provision that allows for a transfer and said that staff was simply bringing the matter to the Committee and the Council for approval. He added that the amendment has been signed by a Zayo representative.

It was moved by Committeemember Richins, seconded by Committeemember Kavanaugh, to recommend to the Council that an amendment to an existing License Agreement to transfer the License from AGL Networks, LLC to Zayo Fiber Solutions, Inc. be approved.

Carried unanimously.

Chairwoman Higgins thanked Mr. Shaw for the presentation.

2-c. Hear a presentation and discuss an update of the Falcon Field Hangar Inspection Program.

Deputy City Manager Kari Kent advised that this item was continued to the October 2012 Sustainability & Transportation Committee meeting, the date of which has yet to be announced.

Chairwoman Higgins stated that she wanted to ensure that this matter was not delayed for too long a period of time.

2-d. Hear a presentation and discuss water options for County residents in northeast Mesa.

Deputy City Manager Kari Kent stated that due to the fact that Water Resources Department Director Kathryn Sorensen was ill, Management Assistant II Keith DeVore would present this item to the Committee.

Mr. DeVore displayed a PowerPoint presentation (**See Attachment 2**) and reported that staff was tasked with reviewing water options for residents located in County islands in northeast Mesa. He referred to a map illustrating the area, which is bounded by Sossaman and Ellsworth and Thomas and McKellips Roads. (See Page 3 of Attachment 2)

Chairwoman Higgins clarified that the area is located just south of Las Sendas and north of Mountain Bridge.

Mr. DeVore stated that it was important to note that residents living in this area were not cut off from water and added that there were various options available to receive water.

Mr. DeVore briefly highlighted staff's proposals as follows:

- Option 1 – Residents can meet City requirements on an individual basis or by sharing costs with their neighbors.
- Option 2 – Residents can create a Special Improvement District in order to meet City requirements by pooling costs.
- Option 3 – Residents can drill an exempt well when they are not within 100 feet of a municipal water system.
- Option 4 – Residents can contract with a local water hauler.

Mr. DeVore offered a short synopsis of the City requirements for a County resident to meet Option 1. (See Page 6 of Attachment 2)

Chairwoman Higgins pointed out that the Committee previously discussed the requirement that a “buy-in” can be established for waterlines and noted that the “buy-in” currently has a time limit associated with it.

Deputy Director of Development Services Beth Hughes-Ornelas clarified that previously, there was a ten-year timeframe for a development to recoup its costs. She noted, however, that staff and the Committee discussed the issue of extending the timeframe so that hopefully someone could utilize the waterline.

Chairwoman Higgins inquired if it was possible for a property owner to have a “buy-in” that did not have an expiration date so that the owner would always have the ability to recoup such costs. She pointed out that County residents seeking to access City water are looking at tens of thousands of dollars in costs and said that it might be helpful if a property owner knew that the “buy-in” would not expire.

Deputy City Attorney Donna Bronski clarified that such a requirement is currently in the City Code and said that invariably it would be necessary to change the Code.

Assistant City Attorney III Bill Taebel responded that he would be happy to conduct further research regarding the City Code in order to more accurately respond to Chairwoman Higgins’ question.

Mr. DeVore continued with the presentation and explained that many of the existing waterlines in the area are undersized, improperly looped and lack proper fire hydrant spacing to meet the 2006 International Fire Code (IFC), which creates significant challenges for the City. He stated that the cost to upgrade the water system for a single resident connection is high and noted that perhaps the adjacent neighbors would be willing to share such costs.

Chairwoman Higgins stated that some of the fire hydrants in the area are dead end lines and inquired if it was possible to loop off such lines.

Water Enterprise Services Supervising Engineer Jesse Heywood referred to a map of the existing water lines (See Page 11 of Attachment 2) and clarified that a number of the lines were installed in the 1970’s and 1980’s, with a majority being less than six inch in size and dead end lines. He explained that in most cases, looping such waterlines would not meet the current Fire Code and added that it would require a significant amount of infrastructure, the costs of which would be quite significant for a single resident to bear.

In response to a question from Chairwoman Higgins, Mr. Heywood clarified that the Water Resources Department currently does not have any plans to upgrade the smaller lines in the area in order to meet the 2006 IFC.

Responding to a question from Committeemember Richins, Deputy City Manager Kari Kent explained that this item was brought forward to the Committee at the request of Chairwoman Higgins.

Chairwoman Higgins remarked that for four years, she has talked about this area. She stated that for a period of time, County residents could not receive water unless they resided within

Mesa's municipal boundaries. She noted that the City Code was modified so that such residents could access City water, pay different fees and still remain in the County.

Chairwoman Higgins further commented that it has come to the point where there are certain "pockets" in which County residents' wells are drying up and they must haul in water. She voiced concern that these individuals will continue to have problems and suggested that it might be appropriate for the City to be proactive in helping those property owners.

In response to a question from Committeemember Richins, Mr. Heywood explained that in the past, the City would install water lines greater than 16 inches in size and recoup the cost through impact fees. He advised that the City's current water rates would not support the installation of small diameter water lines in this particular area of the County. Mr. Heywood added that in developments such as Las Sendas or Mountain Bridge, the developer, at their cost, installed all of the lines less than 16 inches in size.

Chairwoman Higgins further remarked that in addition to the above-referenced options, she also asked staff to research the Property Assessed Clean Energy (PACE) program. She explained that it is a Federally-approved program, wherein a municipality can lend funds to a homeowner for certain energy efficiency upgrades and said that such monies are repaid as a property tax assessment. She stated that the municipality would be in the first position on any loan documents should the homeowner be foreclosed upon.

Chairwoman Higgins noted that municipalities, such as Kansas City, have utilized PACE-type programs to address similar water issues and said she had hoped that staff would investigate that community's efforts in this regard.

Ms. Kent assured Chairwoman Higgins that Ms. Sorensen has spoken with the individual in Kansas City who Chairwoman Higgins recommended that she get in contact with to discuss their program.

Extensive discussion ensued relative to the City's existing water distribution line and the new waterlines that would be necessary to install in order to loop them through the area (See Page 13 of Attachment 2); the fact that water must be looped in order to flow; that the initial cost for the City to install new waterlines in the area (as depicted on Page 13), is estimated at \$10 million; and that the unknown factors in such an estimate include real estate costs.

Responding to a series of questions from Chairwoman Higgins, Mr. Taebel advised that if a City waterline ran past the property of a County resident who had a working well, he was not convinced that the City could force that individual to connect to City services. He noted, however, that if the well failed, the property owner might be prevented from re-drilling or repairing the well.

Mr. Heywood clarified that per State law, if a property is located within 100 feet of a municipal waterline, the owner would be prohibited from drilling a well. He pointed out that if the individual's well failed, it would be necessary to connect to City water.

Committeemember Richins commented that from a sustainability standpoint, it might be “a good thing” for the City to budget \$10 million to provide water in this area, especially since more property owners would come on to the City’s water system and off the aquifer.

Mr. Heywood cautioned that groundwater is a difficult science to predict and said that some of the wells could last for 50 years or more before they fail.

Additional discussion ensued relative to the fact that there are approximately 1,000 homes in this area of the County without City water service; that staff has generated a series of cost models that include various assumptions; and that the most realistic scenario would be that if 20% of the homes connected to the City’s water system, and the water rates were static, the City would see a return on its investment in approximately 40 years.

Deputy Fire Chief Rich Kochanski addressed the Committee and reported that in 2009, the Council voted to add the Fire Department’s evaluation to the Utility Service Agreement, which is the same evaluation used for annexation. He explained that the challenges to the Fire Code are similar to those related to annexation and in particular, with respect to Fire/emergency access and water supply. (See Pages 8 and 9 of Attachment 2)

Chief Kochanski remarked that during the Fire Department’s evaluation, challenges occur in terms of denials on “the front end” for residents to be able to obtain a Utility Service Agreement or annexation. He stated that many homes in this area of the County are very large, have sizeable setbacks from the frontage, and do not meet the 150-foot setback requirement. He added that many of those cases result in a denial from the Fire Department.

In response to a question from Committeemember Richins, Chief Kochanski stated that if a County resident received City water service but did not annex into Mesa, that individual would receive emergency response and fire service from Rural Metro.

Committeemember Kavanaugh commented that he has heard rumors that Rural Metro might close some of its fire stations in these County areas because they are deemed unprofitable by the new owners of the company. He stated that if that were to occur, he would assume, per State law, that the City would be required to provide fire protection service in those areas and attempt to recoup or collect costs from those residents.

Deputy Fire Chief Dan Stubbs confirmed Committeemember Kavanaugh’s statement and added that it would be necessary for the City to enter into a contract with the County islands.

Mr. DeVore continued with the presentation and briefly highlighted the requirements with respect to Option 3 – Exempt Wells and Option 4 – Haul Water. (See Pages 15 and 16 respectively of Attachment 2) He noted that staff was seeking feedback from the Committee regarding the various options.

Chairwoman Higgins commented that in reviewing Page 12 of Attachment 2, which reflects current City customers who receive City water, there appears to be a much larger number than she anticipated. She stated that if a County resident wanted access to City water, the individual would be required to pay between \$50,000 and \$100,000 to connect to the City’s waterline, impact fees for Police and Fire service, even though the property owner is not being annexed

into the City, and other in-lieu fees for street improvements. She remarked that such fees and charges are cost prohibitive and said that she would like to address this issue further.

Committeemember Richins suggested that perhaps staff could consider a long-term approach regarding this issue similar to what they proposed with respect to bringing sewer service to all of the municipal boundaries.

In response to a question from Chairwoman Higgins regarding whether it was possible to charge different water rates for County residents, Mr. Taebel clarified that in the utility industry, it is not uncommon to recapture the line extension costs from a potential customer. He pointed out, however, that in this particular case, it would be necessary for the City to recapture additional costs from these property owners in order to meet Fire Code requirements. He added that the City made a legislative determination not to include those costs in its Five-Year Capital Improvement Program (CIP).

Mr. Taebel further commented that if it were the direction of the Council to make such improvements, it would be important to obtain additional information regarding the impact of including those costs in the CIP. He emphasized that all rates must be just and reasonable and also noted that the City does, in fact, have different surcharges for the various zones across the City.

Further discussion ensued relative to the fact that the septic/sewer program that is being proposed is just within the City and staff does not anticipate including the County islands; that per State Statute, the City can only collect development impact fees within its municipal boundaries; that outside the City, the non-impact fees (i.e., water, sewer) are included in the "Terms and Conditions of the Utility Service Agreement"; and that such a document, which is adopted by ordinance, could be modified at the discretion of the Council.

Committeemember Kavanaugh commented that he did not mean to sound callous, but there are consequences and choices for individuals who reside in the County. He stated that the scenario being discussed here is the City spending capital costs for County residents, at the expense of City residents, who need upgrades in their water lines and water capacities. Committeemember Kavanaugh remarked that although he was sympathetic, he was not inclined to make changes at the expense of the community.

Chairwoman Higgins stated that she cannot believe that when the average person buys a house and conducts their due diligence, that they would ever think they would run out of water at their home.

Committeemember Richins concurred with Committeemember Kavanaugh's comments and pointed out that individuals develop in the County because it is less expensive and they do not have to invest in adequate water and sewer systems. He suggested that the sewer/septic program, which will focus only on those areas within the City, should be the Council's primary focus before they consider water options in County islands.

Development and Sustainability Department Director Christine Zielonka addressed the Council and reported that she has met with several of the residents in this area. She explained that those individuals who purchased properties that are on wells were aware of that fact and noted

that there were some communities in which four homes shared one well. She added that she would be shocked if those residents were not aware of that fact when they first purchased their homes.

Chairwoman Higgins stated that residents in the area have informed her that they are willing to pay for City water, but reiterated that the fees and charges that the City would impose become cost prohibitive.

Committeemember Richins suggested that if people want City water, they should buy homes in a subdivision. He added that he did not feel inclined to resolve this matter.

Ms. Zielonka further commented that two weeks ago, she met with a group of County residents and reviewed the previously-mentioned options, discussed buy-ins, and getting more of the neighbors involved so that the costs would be more equitable. She acknowledged that such costs are quite significant, but stated that in her opinion, the residents had "a good understanding" of the challenges associated with this issue.

Additional discussion ensued relative to the fact that the City and the County are working towards collaborating on the septic/sewer program; that staff could attempt to approach the County with respect to this issue as well; that per current policy, staff conducts a review when an individual or group requests annexation and also meets with those City departments that could be impacted; that staff then makes a recommendation to the Council whether or not it is in the City's best interest to annex such properties; and that with an annexation case, the property owner must meet City standards.

Chairwoman Higgins stated that in reality, the options discussed today are not new, but merely the same ones that staff has offered to County residents in the last few years.

Ms. Kent assured the Committee that staff would continue to research the PACE program in Kansas City.

Chairwoman Higgins thanked staff for the extensive presentation.

3. Adjournment.

Without objection, the Sustainability and Transportation Committee meeting adjourned at 4:45 p.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Sustainability & Transportation Committee meeting of the City of Mesa, Arizona, held on the 24th day of September 2012. I further certify that the meeting was duly called and held and that a quorum was present.

LINDA CROCKER, CITY CLERK

CenturyLink Cable License Sustainability and Transportation Committee

September 24th 2012

Cable License Basics

- **Defines the type and quality of service**
- **Must abide by Federal and State laws**
- **Is generally consistent with the Cox agreement**
- **Second market entrant - adapted accordingly**
- **Will expire (co-term) with Cox agreement**
- **Provides public access channels**
- **Includes regular deployment review and City input**
- **Includes fees up to 5% of revenue**

Local Authority

- **Cannot regulate cable service rates**
- **Cannot prohibit specific channels from being offered**
- **Cannot require that specific channels be offered**
- **Cannot require build-out schedule (2nd entrant)**
- **Can require ready access for public channels**
- **Can charge fees up to 5% of gross revenue**
- **Can require normal permitting and code compliance**
- **Can order audits to ensure fees are paid**

The Cable System

- Century Link Prism TV - 100% digital
- IPTV Service over a managed IP network
- Stimulates broadband growth through fiber deployment into neighborhoods
- Up to 40 megabits per second
- Provides converged services (integrates Internet and TV)



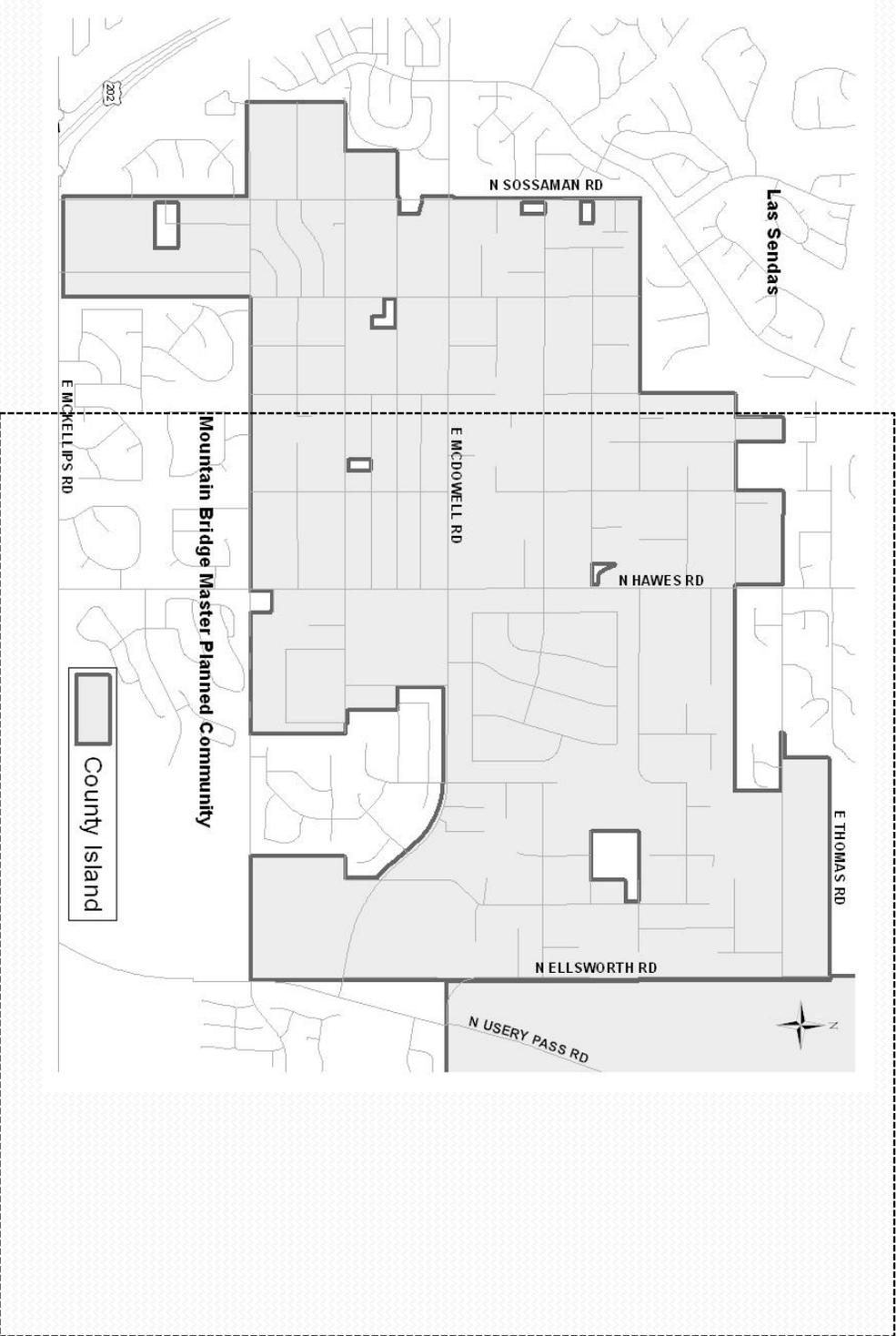
Water Options for County Residents in Northeast Mesa

Sustainability and Transportation Committee September 24, 2012

Purpose

- Review options for water for residents located in county islands in Northeast Mesa.

County Area



Residents have water options

- No resident is cut off from water.
- Every resident has options for receiving water.

Options

- Option 1 – Residents can meet City requirements on an individual basis or by sharing costs with their neighbors.
- Option 2 – Residents can create a Special Improvement District to meet City requirements by pooling costs.
- Option 3 – Residents can drill an exempt well when they are not within 100-feet of a municipal water system.
- Option 4 – Residents can contract with a local water hauler.

Option 1—meet City requirements on an individual basis or by sharing costs with neighbors.

- Applicant(s) must pay Outside City Limits Development Service Fees.
- Applicant parcel(s) must have frontage on dedicated public rights-of-way and easements meeting City Requirement.
- Applicant parcel(s) must develop in compliance with all applicable City regulations, standards and requirements established by the City of Mesa.
- Applicant(s) responsible for extending waterlines 16-inch and smaller to parcel requiring service.
- A “buy-in” can be established for waterlines.

Water Challenges

- Existing waterlines are undersized, improperly looped and lack proper fire hydrant spacing to meet 2006 International Fire Code (IFC).
- Cost to upgrade water system for a single resident connection is high.
- Neighbors may be able to voluntarily share costs to bring these costs down.

Fire Code Challenges

- The Fire Department recommendation for acceptance or denial is based on all of the following criteria for effective operational response.
- All of these items are located in the Fire Code.
 1. Fire access:
 - a) Roadways are a minimum of 34 feet wide.
 - b) If less than 34 feet, then no parking shall be posted on one side of the roadway if greater than 28 feet wide and both sides of the roadway if less than 28 feet but greater than 20 feet. Fire access roadways shall not be less than 20 feet wide.
 - c) Roadways are to have an all-weather surface (concrete or asphalt).
 - d) Washes shall be bridged (culverts or other appropriate method) to prevent water from flowing over the roadway.
 - e) The roadway must be within 150 feet of all portions of the first floor of all buildings on the property.

Fire Code Challenges

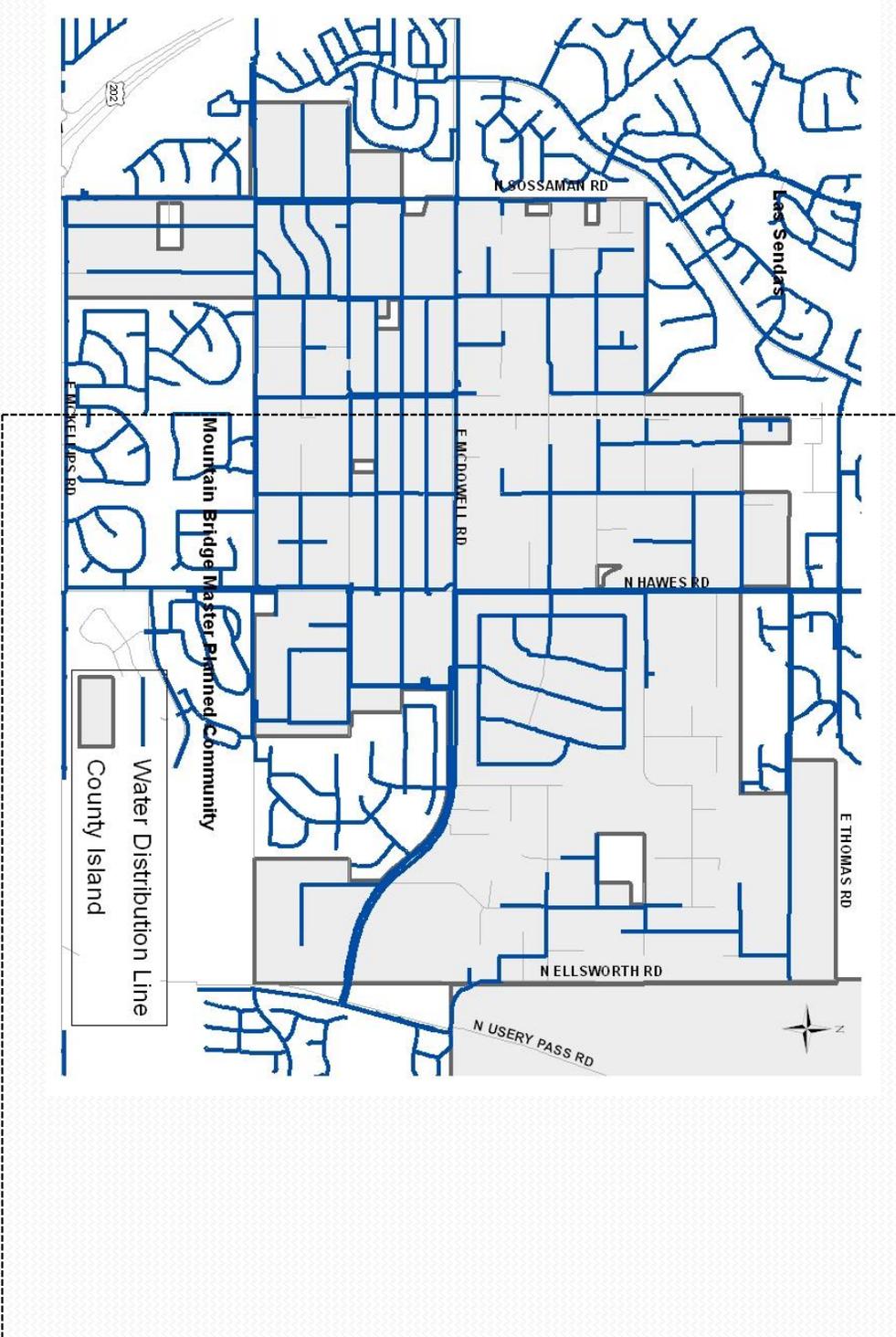
- The Fire Department recommendation for acceptance or denial is based on all of the following criteria for effective operational response.
- All of these items are located in the Fire Code.
- 2. Water supply:
 - a) There must be at least one fire hydrant directly adjacent to the property on the access roadway and within 250 feet of the center point of the property on the access roadway.
 - b) The buildings on the property are larger than the number of fire hydrants in the vicinity will support.
- Most if not all challenges facing annexations and utility service agreements come down to the property not meeting one or all of the criteria listed above
- 1-E is the biggest challenge.

Option 2 – Special Improvement

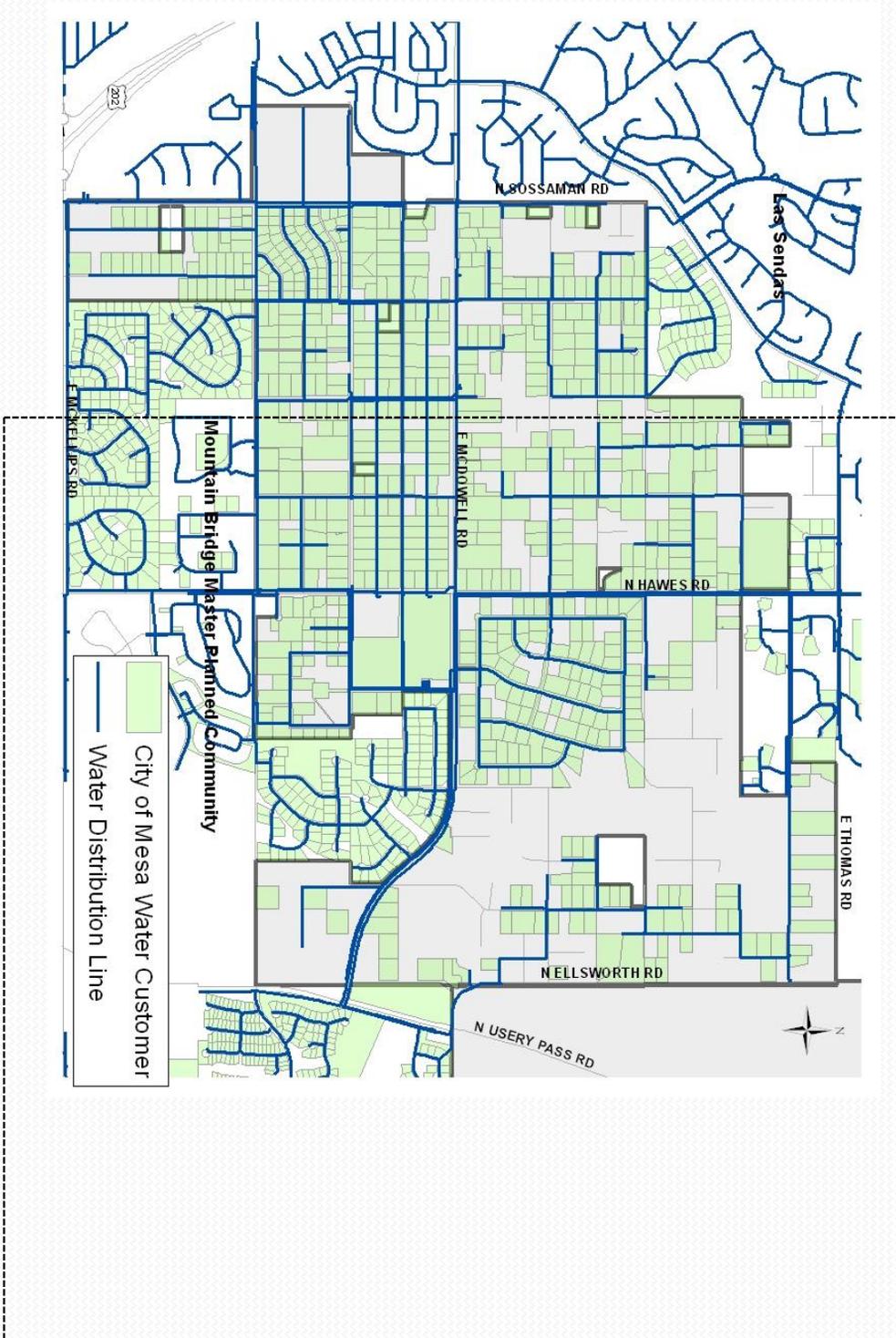
District

- Residents have the ability to band together to install infrastructure improvements.
- Special Improvement Districts (SID's)
 - Residents must live in municipality.
- Discussion area has mainly County residents.
 - Residents of the County can not initiate City of Mesa SID process and vice versa.

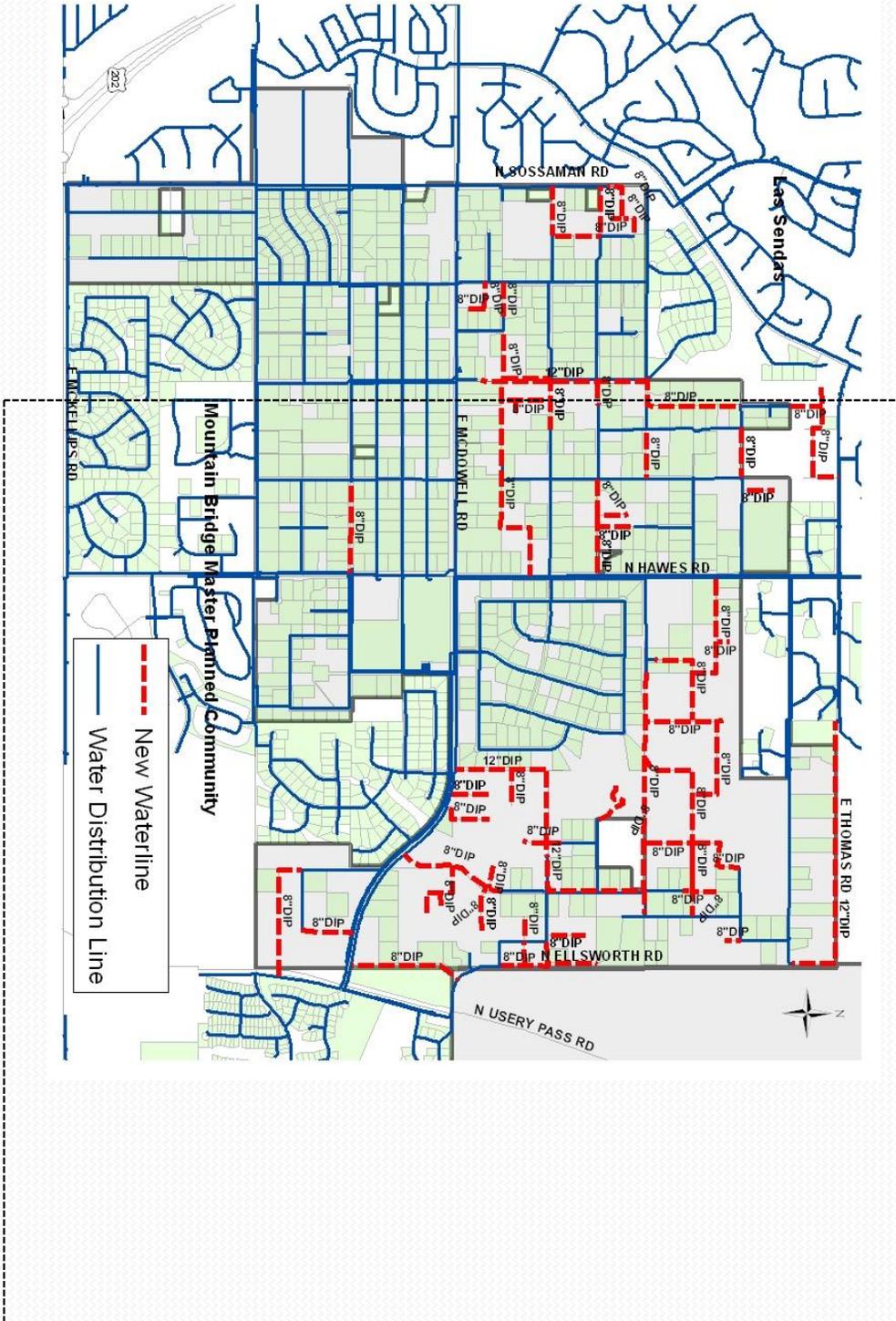
Existing lines



Current City Customers



Lines needed in total



Cost

- Millions of dollars
- Cooperation of home owners is unknown
 - District approval vote
 - Real estate acquisition for easements, etc
 - Existing customers have little incentive to cooperate

Option 3 – Exempt Wells

- Permit to drill a well is regulated by ADWR.
- Exempt well requirements: has to be less than 35 gallons per minute (gpm), non-irrigation, 1 per property per use type and not within 100-feet of a municipal waterline.
- Arizona Revised Statute (A.R.S.) § 45-454(C) revised in 2006 prohibits the drilling of an exempt well on land if any part of the land is within 100 feet of the operating water distribution system of a municipal water provider

Option 4 – Haul Water

- If the property is within 100-feet of a City waterline and it is cost prohibitive to bring the water and road system up to 2006 IFC, the resident can contract with a local water hauler.

Questions/Discussion