



COUNCIL MINUTES

January 23, 2025

The City Council of the City of Mesa met in the Study Session room at City Hall, 20 East Main Street, on January 23, 2025, at 7:30 a.m.

COUNCIL PRESENT

Mark Freeman
Scott Somers
Rich Adams*
Jennifer Duff
Alicia Goforth
Francisco Heredia
Julie Spilsbury

COUNCIL ABSENT

None

OFFICERS PRESENT

Michael Kennington
Holly Moseley
Jim Smith

(*Participated in the meeting through the use of video conference equipment.)

Mayor Freeman conducted a roll call.

1. Review and discuss items on the agenda for the January 27, 2025, Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflict of interest: None

Items removed from the consent agenda: None

In response to a question from Mayor Freeman regarding Item 3-a, **(Four-Year Term Contract with Six One-Year Renewal Options for Online Police Reporting Solution for the Mesa Police Department and Department of Innovation and Technology. (Citywide))**, on the Regular Council meeting agenda, Police Deputy Director Patrick Phelps replied that the Police Department (PD) has been utilizing online reporting for more than a decade. He discussed that the upgrade to the existing system will be replaced with a new vendor and the reporting will be more seamless and efficient.

In response to multiple questions from Councilmember Adams, Mr. Phelps answered that the online reporting system does not contain a voice component, can be accessed via a personal computer or phone, and is similar to customer support sites. He described the process as interactive with citizens.

In response to a question from Councilmember Duff regarding Item 4-b, **(Approving the City Manager to enter into an Intergovernmental Agreement between the Town of Queen Creek, Arizona and the City of Mesa for the reimbursement of engineering design plan costs for a natural gas line extension, in the amount of \$189,288.74 to Queen Creek, which Mesa will recover through the Line Extension Agreement between Mesa and LG Energy Solution Arizona, Inc.)**, on the Regular Council meeting agenda, Energy and Sustainability Director Scott Bouchie explained that the City is not paying for the extension of the natural gas line. He elaborated that the City of Mesa (COM) has agreements with LG, who will pay the entire cost of connecting their plant to Mesa's natural gas system, as well as the necessary meter set for the City to deliver the gas.

Energy and Sustainability Director Scott Bouchie introduced Energy Resources Program Manager Anthony Cadorin and displayed a PowerPoint presentation regarding Item 4-a, **(Approving the Electric Integrated Resource Plan (IRP) in conformance with federal regulations (10 CFR 905.11) that qualifies the City of Mesa to receive electric power generated at federally-owned hydroelectric plants. The IRP is a systematic approach to identify and select resources to meet our customers' electric needs. The IRP will be submitted to the Western Area Power Administration (WAPA) upon Council approval. (Districts 1 and 4))**, on the Regular Council meeting agenda. **(See Attachment 1)**

Mr. Cadorin provided an overview of the statistics regarding the Integrated Resource Plan (IRP) and emphasized that the City has experienced six and a half years of no lost time accidents, which aligns with its mission statement of safe, reliable, affordable, and sustainable energy. (See Page 2 of Attachment 1)

Mr. Cadorin reported on the requirements and the history of an IRP for the City, and the purpose of setting a framework for evaluating resources. He reviewed the programs that have been implemented since 2019, stating that Mesa's customer solar program has tripled since 2019. He noted that the City has actively marketed and worked with customers to grow the program. He highlighted the Climate Action Plan (CAP) is a guiding principle through the IRP to economically determine resources for sustainability. (See Pages 3 and 4 of Attachment 1)

Mr. Cadorin presented a graph comparing active coal capacity to operating battery capacity. He indicated that the main change since 2019 was a fundamental shift in the Southwest energy markets. He discussed how battery resources are being utilized to replace coal and the massive deployment of battery resources and its impact. (See Page 5 of Attachment 1)

Mr. Cadorin provided an overview of Mesa's renewable energy market resources and vendors from Fiscal Year (FY) 23/24 through the forecast for FY 26/27. He explained the various market resources and the process that vendors use to deliver resources to the COM. (See Page 11 of Attachment 1)

In response to a question posed by Mayor Freeman, Mr. Cadorin answered that currently the City does not have any active battery storage resources and is collaborating with the City of Tempe to increase local battery storage.

In response to questions from Councilmember Adams, Mr. Cadorin discussed battery storage space, location, and life span, as well as ownership versus lease models.

Discussion ensued related to solar energy, other resources, and the cost and balance of energy sources.

Mr. Cadarin continued his presentation with an overview of the results from the public survey that was conducted to evaluate the tolerance of their customers if proposed rates for resources are increased. He emphasized that with the Arizona Electric Power Cooperative (AEPCO) and the Salt River Project (SRP) projects, the City has been able to obtain renewable resources, as well as save money for its customers. (See Page 9 of Attachment 1)

Councilmember Duff commented that the survey conducted only relates to the COM electric customers, which is not a citywide utility. She added that the small area served in Mesa consists of approximately 18,000 customers within 5.5 square miles in the center of the city.

Mayor Freeman thanked staff for the presentation.

2-a. Hear a presentation, discuss, and receive an update on Mesa's Climate Action Plan projects, including water conservation.

Energy and Sustainability Director Scott Bouchie introduced Environmental Programs Supervisor Lauren Whittaker, Energy/Water Conservation Coordinator Becky Zusy, and displayed a PowerPoint presentation. **(See Attachment 2)**

Ms. Zusy provided an overview of the water conservation programs offered by the City of Mesa (COM). She explained that although apartments are comprised of residents, staff is referring to the landscape portion of apartments as non-residential customers. She highlighted the irrigation equipment incentives that are available to non-residential customers since 2018. She indicated that maximum incentive was reduced in October of 2024 due to the participation of large customers in the program who performed major work on their irrigation systems. She reported that, historically, an estimated savings of 15% to 20% of landscape water usage is expected for program participants. (See Pages 2 through 4 of Attachment 2)

Ms. Zusy presented a graph depicting the number of Homeowners Associations (HOA) and small businesses which have utilized incentives from FY 18/19 through FY 24/25. She noted that in FY 24/25 there were large HOAs participating in the program, which has the potential for significant savings. (See Page 5 of Attachment 2)

Ms. Zusy summarized the funding sources and landscape incentives for grass-to-xeriscape non-residential customers since 2010 through 2023, which resulted in significant savings for those who participated in the program. (See Page 6 of Attachment 2)

Ms. Zusy reported that due to the need for large groups of non-residential customers that consume a lot of water, staff applied for a grant and was awarded \$916,000 from the Water Infrastructure Finance Authority of Arizona (WIFA). She noted that with approval, some of the grant funds were shifted to accommodate the popularity of the programs. (See Page 7 of Attachment 2)

Ms. Zusy stated that the WIFA funded maximum incentives for non-residential grass-to-xeriscape projects were increased up to \$50,000 and she reviewed the requirements. She discussed the numerous advertising methods which have proven to be successful in promoting the programs. She shared the results of the 2024 WIFA Funding and mentioned that within 10 months, almost

all of the funds for the grass-to-xeriscape incentive were obligated. (See Pages 8 through 10 of Attachment 2)

Ms. Zusy showed a map depicting the location of customers, and stated that not all projects are completed but are in the process. She discussed the collaboration with other departments to streamline the process. She indicated that the map reflects apartments, businesses and HOAs that are taking part in the program. She described the impact that the grants have in Mesa. (See Pages 11 and 12 of Attachment 2)

Ms. Zusy discussed the Waterfluence program that will be provided through the WIFA grant and is utilized by the Parks & Recreation Department. She elaborated that the program helps to determine how much water should be used versus what is being used, based on specific landscape needs. She emphasized that the Waterfluence program is only offered to HOAs that have dedicated landscape meters. She anticipates that about 40 million gallons of water will be saved annually by this program, which will begin in the spring. (See Page 13 of Attachment 2)

Ms. Zusy summarized the Landscape Assessment program that is part of the WIFA grant and will build upon the Waterfluence program. She advised that the focus will be on HOAs who have the least efficient system and the most potential for savings on water consumption. (See Page 14 of Attachment 2)

Ms. Whittaker described the residential grass-to-xeriscape program and the requirements, which offers residents up to \$1,100 to remove a minimum of 500 square feet of grass. She commented that Salt River Project (SRP) offers up to \$15,000 annually for the next five years to help support the program. (See Page 15 of Attachment 2)

Ms. Whittaker provided a graph illustrating the square footage of residential grass removed and the dollars that have been distributed for the program over the last several years. She noted that in January 2023, the incentives were increased for the first time due to the popularity of the program. She pointed out that the high projection for FY 24/25 is due to the majority of residents completing their projects in the spring. (See Page 16 of Attachment 2)

Ms. Whittaker highlighted the successful metrics regarding the residential program. (See Page 17 of Attachment 2)

Ms. Whittaker discussed the resources, guidebooks, and education tools available. She stated that the Water - Use It Wisely program started in Mesa and the City works regionally for outreach and education. (See Page 18 of Attachment 2)

In response to multiple questions from Vice Mayor Somers, Ms. Zusy replied that WIFA estimates annual water savings of 25 gallons per square foot. She added that the costs can vary, and the incentive program does not pay for the entire cost of grass removal; customers are responsible for some of the expenses.

Vice Mayor Somers commented that the program can assist HOAs in saving money by switching from grass, especially in areas that do not contribute to the quality of life in a neighborhood.

In response to multiple questions posed by Councilmember Goforth, Ms. Zusy described the process that is utilized to generate a water budget or recommendation to determine how much water an HOA should be utilizing to run efficiently, based on their specific need. She added it can

be used for all of Mesa's HOA users who have a dedicated landscape meter. She noted there are approximately 450 HOAs in the city, and Waterfluence has mapped all properties for staff to evaluate and determine ways to reduce the water usage for more efficiency.

Mr. Bouchie explained that determining a target goal for the programs is constrained by funding limitations. He indicated that the more funding provided to customers, the more likely customers will participate in the program, since the projects are expensive. He emphasized that in most cases there is not a return on investment based solely on water savings for this type of project, and large amounts of grass are being removed. He stressed that a resident will not see a return on investment in a short period of time without an incentive.

In response to a question posed by Councilmember Goforth, Ms. Zusy answered that previously the required minimum was 10,000 square feet to qualify for a \$5,000 incentive. She noted as part of the WIFA program, the minimum has been reduced to 2,500 square feet to reach the smaller HOAs.

Discussion ensued relative to digital/smart meters and efficiency, retention basins, turf reduction project, water service tracking, water and landscape savings, and investing in advanced technology and water conservation.

Mayor Freeman thanked staff for the presentation.

3. Current events summary including meetings and conferences attended.

Mayor Freeman and Councilmembers highlighted the events, meetings and conferences recently attended.

4. Scheduling of meetings.

Deputy City Manager/Chief Financial Officer Michael Kennington stated that the schedule of meetings is as follows:

Monday, January 27, 2025, 5:15 p.m. – Study Session

Monday, January 27, 2025, 5:45 p.m. – Regular meeting

5. Adjournment.

Without objection, the Study Session adjourned at 8:55 a.m.


MARK FREEMAN, MAYOR

ATTEST:


HOLLY MOSELEY, CITY CLERK



I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 23rd day of January 2025. I further certify that the meeting was duly called and held and that a quorum was present.



HOLLY MOSELEY, CITY CLERK

lr
(Attachments – 2)

CITY OF MESA

INTEGRATED RESOURCE PLAN

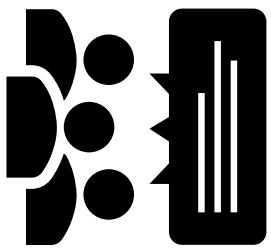
1/23/2025

SCOTT BOUCHIE

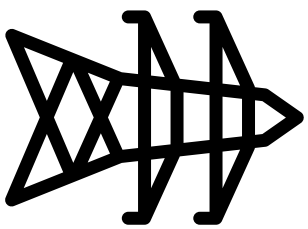
ENERGY AND SUSTAINABILITY DIRECTOR

ANTHONY CADORIN

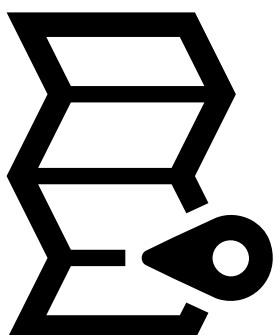
ENERGY RESOURCES PROGRAM MANAGER



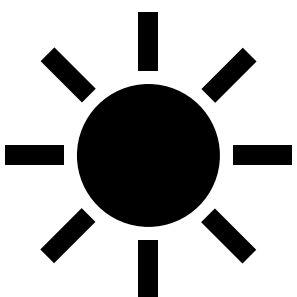
18,118 Customers



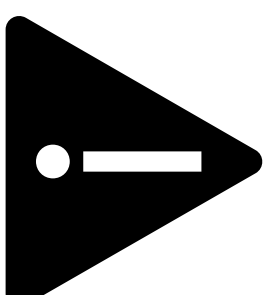
86.3 / 92.3 MW
Peak Demand



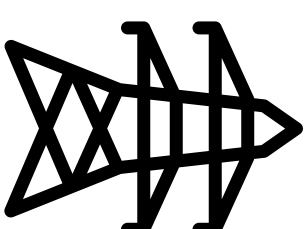
5.5 Square Miles



215 Solar Customers
2.3 MW



2,355 Days No Lost
Time Accidents



318,379 MWh
Of Energy Sales



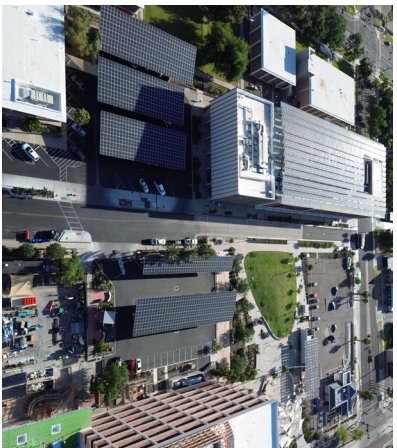
INTEGRATED RESOURCE PLAN?

- Requirement for receipt of federal hydropower
- Required evaluation of “non-conventional” resources
- 5 Year Cycle
- Intention not prescription

IMPORTANT CHANGES SINCE 2019 IRP 4



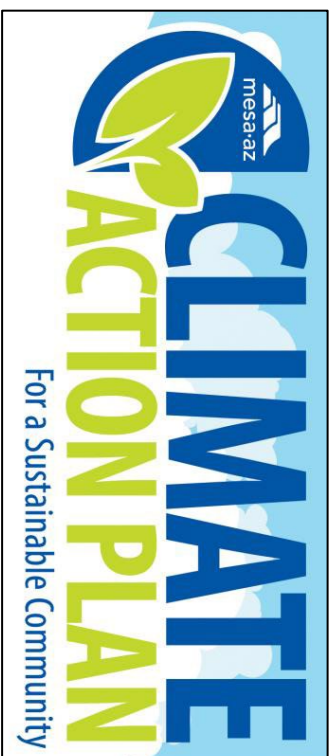
Downtown Solar 1



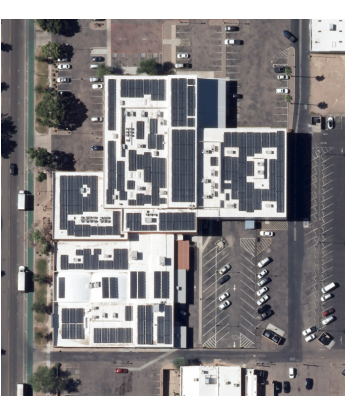
804 kW



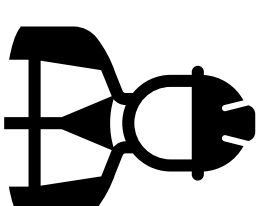
SRP Renewable
Energy Project



Customer Solar

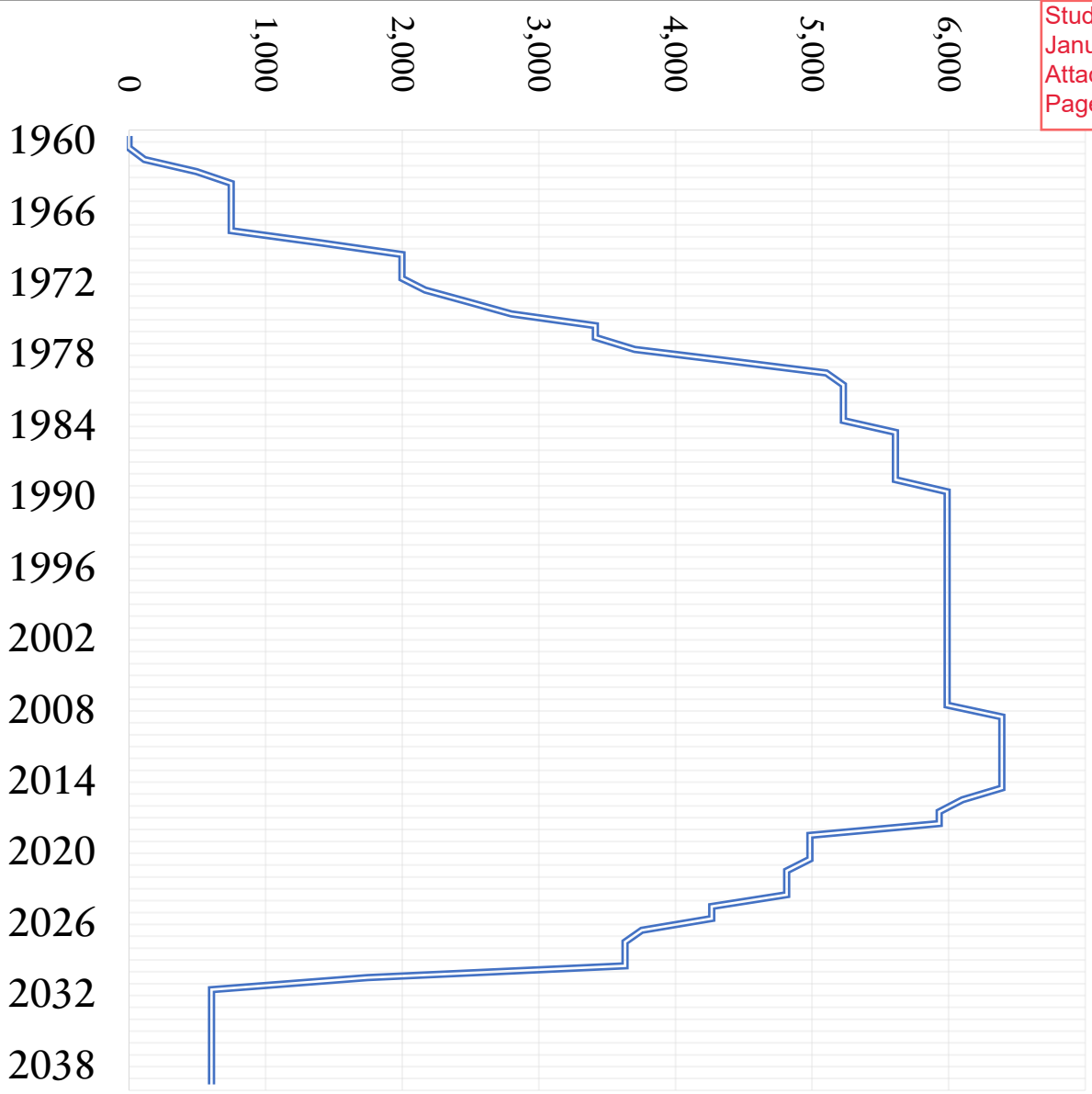


From 845 kW to 2.3 MW



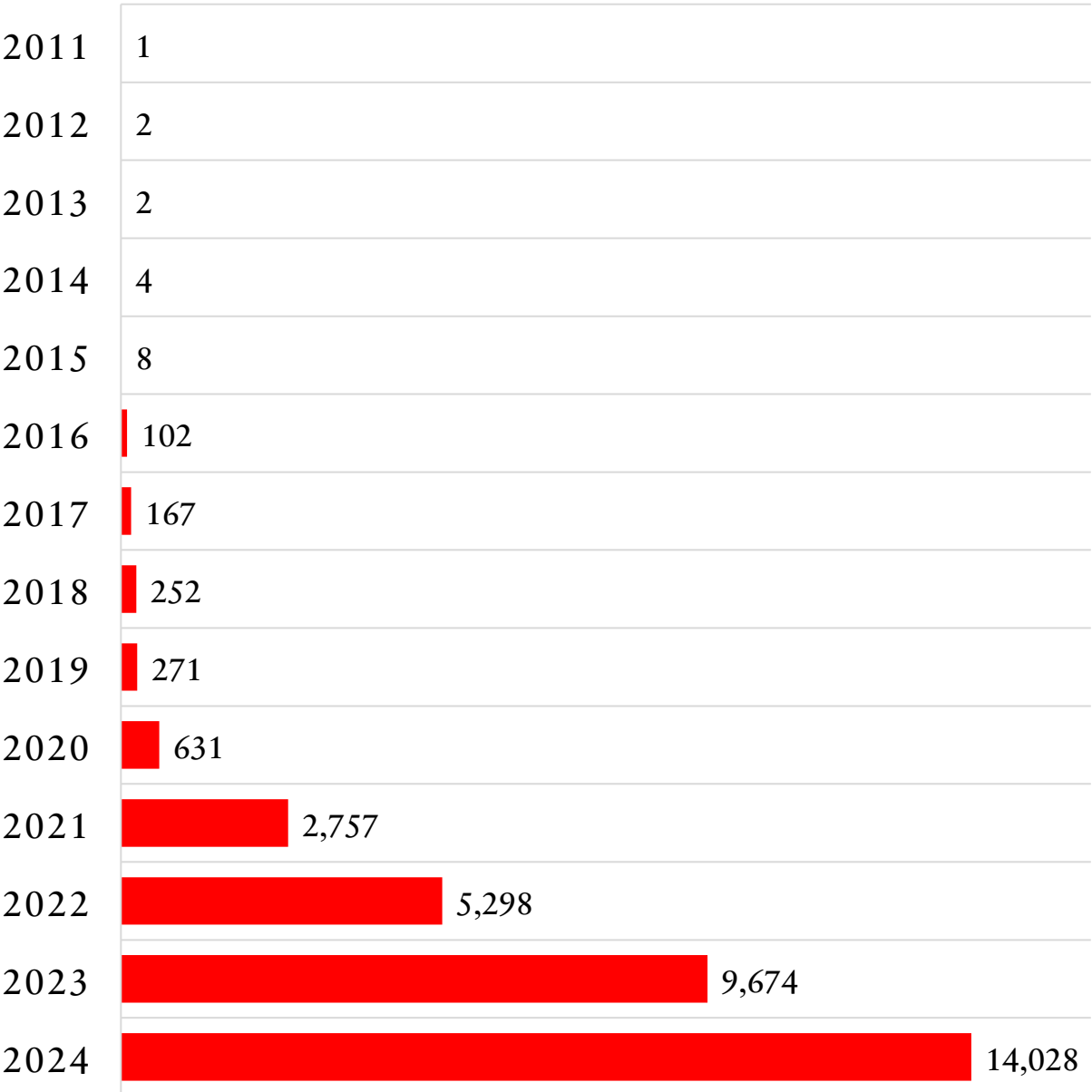
Multiple Projects
Pending

ACTIVE COAL CAPACITY (MW), ARIZONA ENTITIES



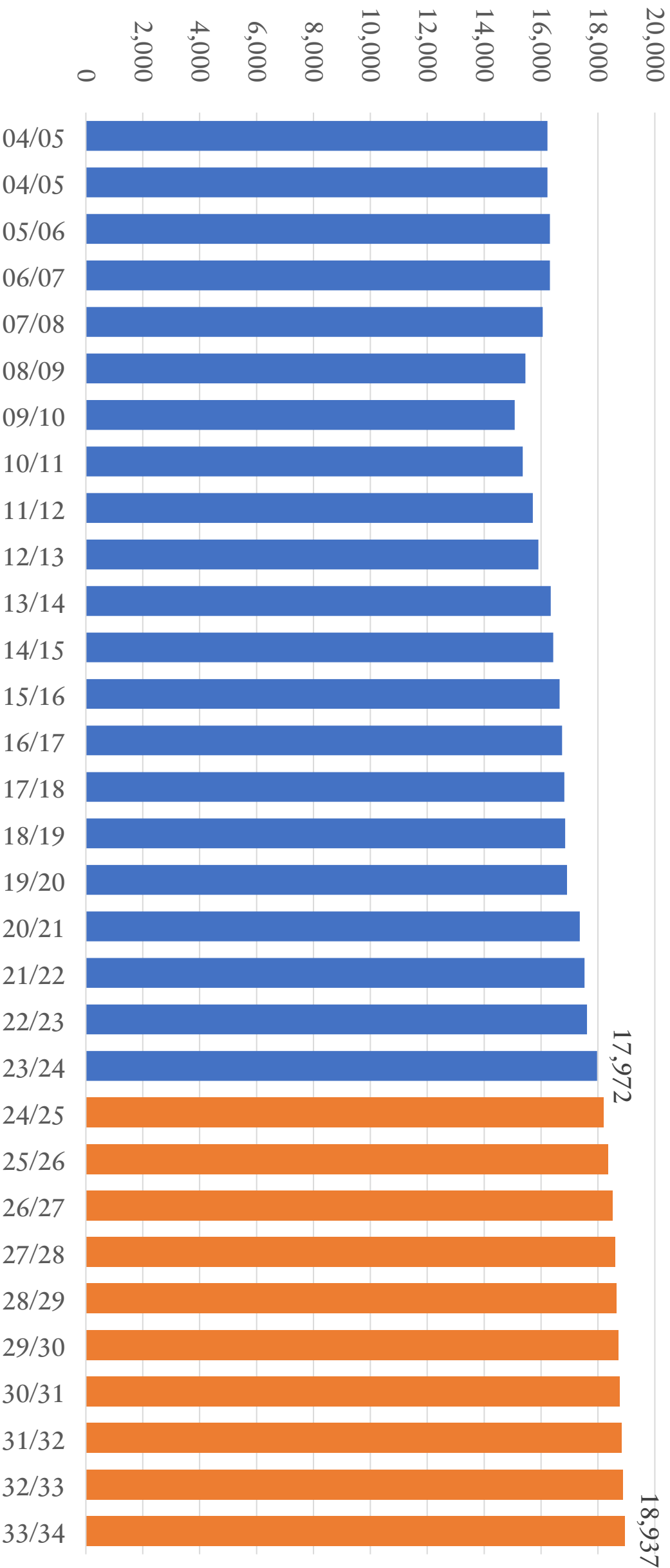
OPERATING BATTERY CAPACITY, AZ, NV, CA, NM, UT (MW)

5



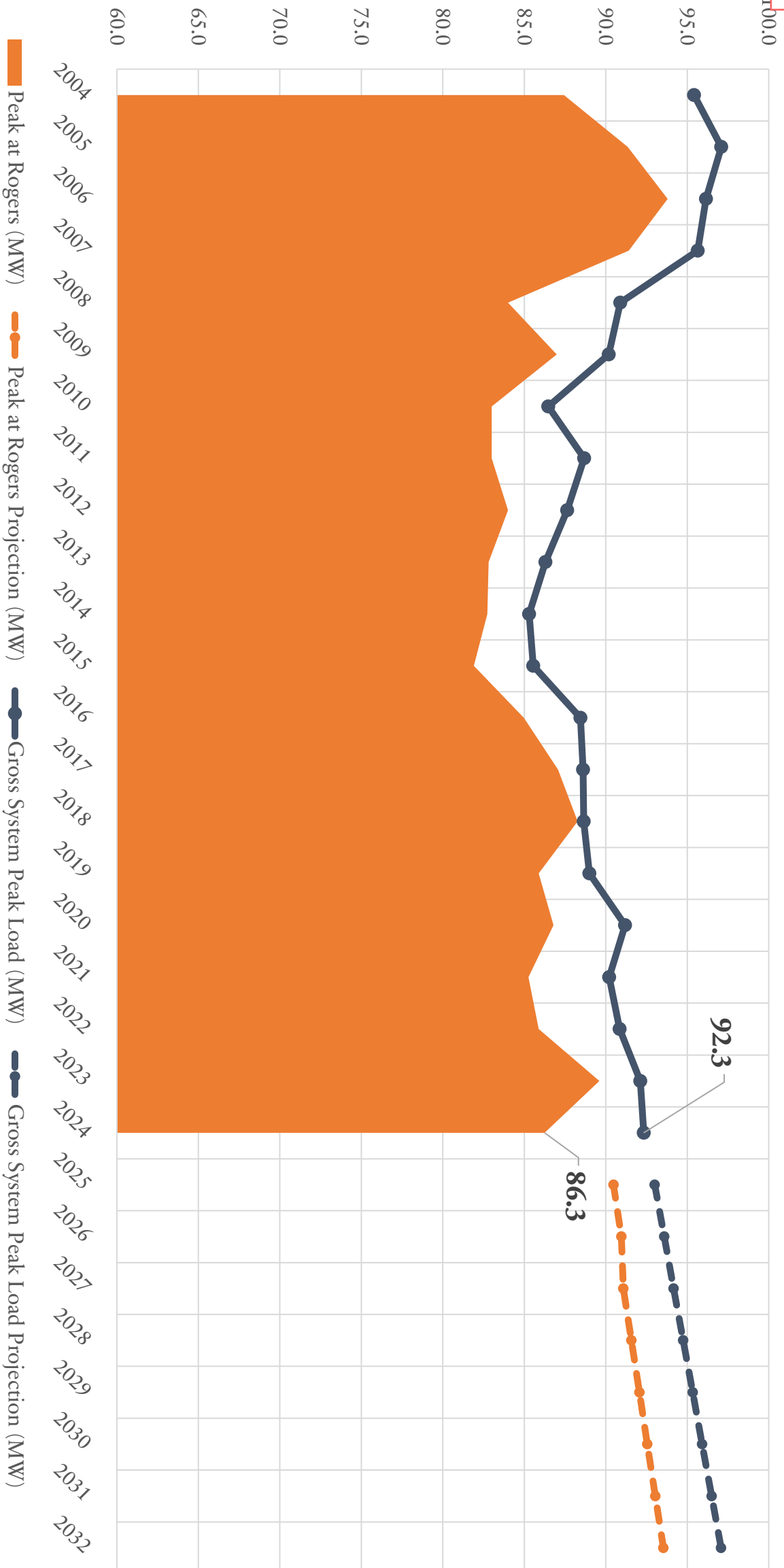
FORECASTING - CUSTOMERS

Annual Customer Count



FORECASTING - DEMAND

Peak Load at Rogers Substation (MW)

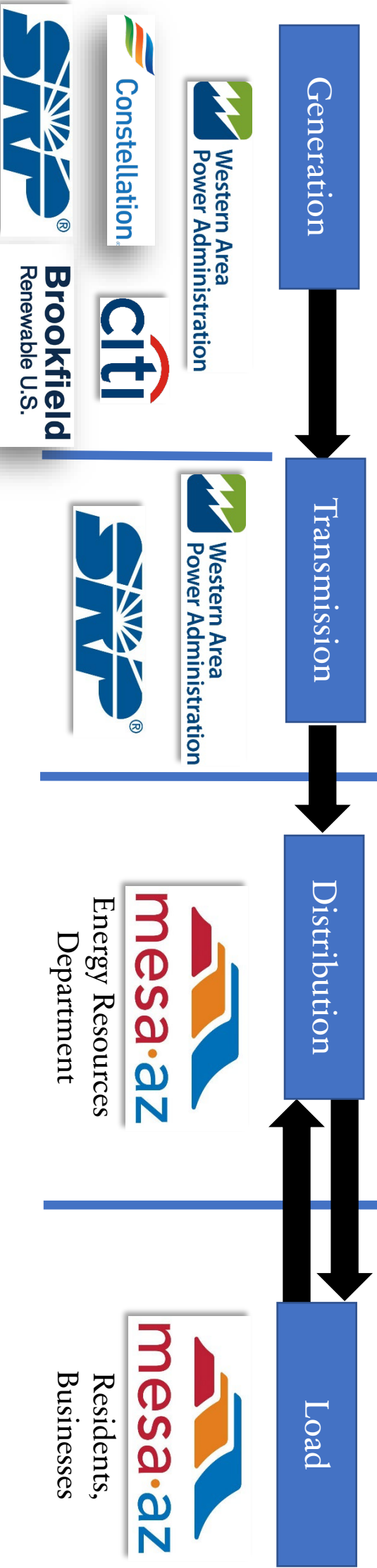


RESOURCE OPTIONS


- Conventional Market Purchased Power
- Owner (%) Participation or PPA
 - Wind Farms
 - Solar Farms
 - Conventional Resources
 - Hydroelectric Resources
 - Large Storage Projects




- Sole Owner or Power Purchase Agreement
- Solar
- Natural gas generators
- Energy storage

- Demand Side Management (DSM)
- Customer owned generation
- Customer-owned storage
- Energy efficiency & conservation



BLIC INPUT SURVEY



Aggregate Rank Score	
Priority	
Cost	1.87 
Reliability	1.95 
Environmental	2.05 

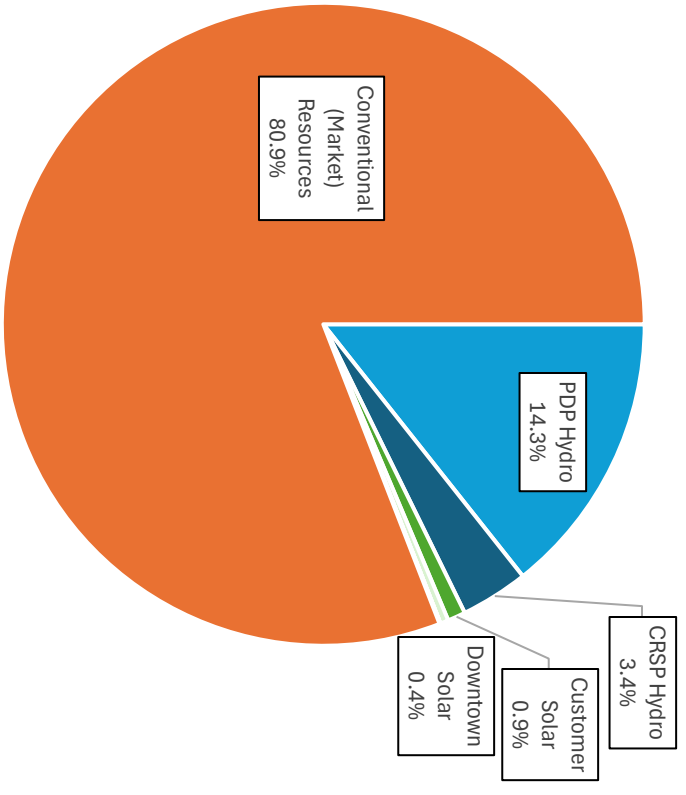
Permissible Utility Bill Increase to Support Renewable Resources	% of Respondents Willing to Pay the Increase
No Increase	32.90%
1-2% Increase	28.70%
2-5% Increase	19.50%
5-10% Increase	8.40%
10-20% Increase	5.40%
20-40% Increase	2.40%
Maximize my Renewable Resources	3.00%

POSED ACTION PLAN

- Increase Competition for Mesa's Business
- Minimize Exposure to Volatile Market Pricing
- Reduce the Risk of Loss of Power at Rogers
- Leverage Mesa's Natural Gas Utility
- Leverage Mesa's available Land Resources
- Seek Economical Utility Scale Renewable Energy Resources
- Seek Economical Utility Scale Conventional Resources

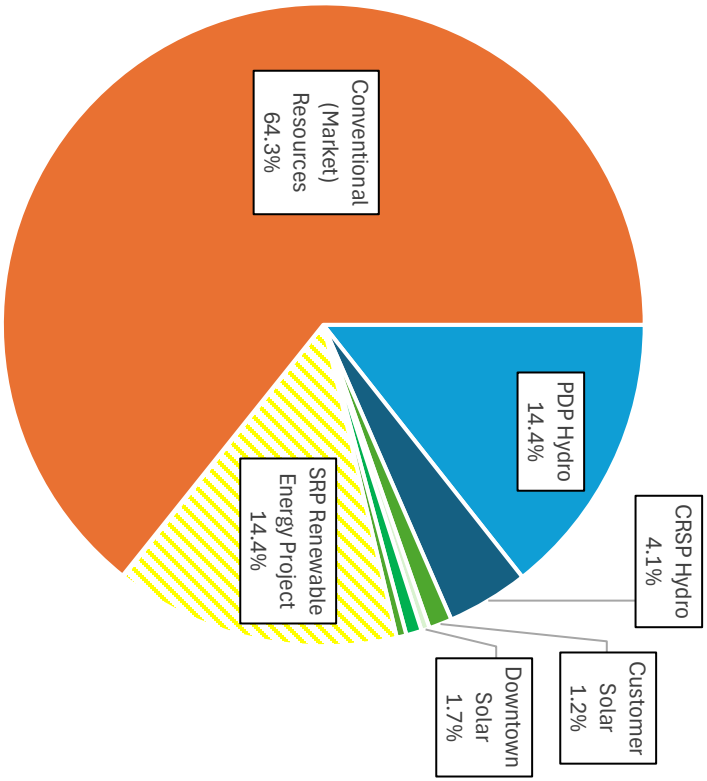
- Leverage Mesa's New AMI
- Leverage Customer's Preferences for Sustainable Resource Choices
- Leverage Mesa's Transition to Electric Vehicles
- Leverage Mesa's District Cooling Utility
- Leverage Mesa's Status as a Tax-Exempt Entity
- Leverage Mesa's Status as a Federal Hydroelectric Power Generation Preference Customer

PAST
FY23/24



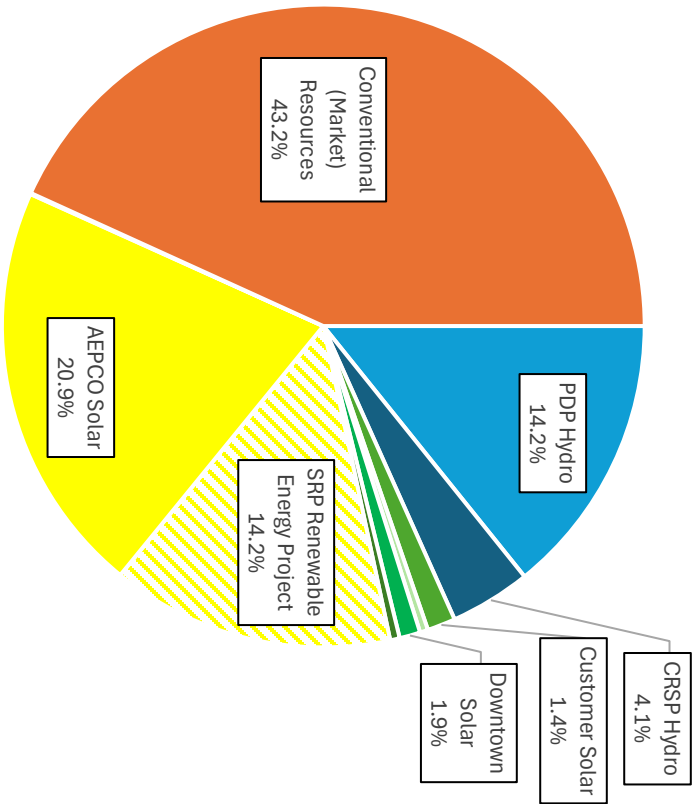
19.1% Renewable

PRESENT
CY25



35.7% Renewable

FUTURE
FY26/27



56.8% Renewable

EXPECTED RESOURCE OUTCOMES

- Work towards a second feed strategy
- More suppliers enabled
- Optimization of Transmission Rights
- Evaluation of available land resources for use in energy projects
- Completion/conclusion of in-process projects
- Evaluation of additional time of use rates
- Continued joint action with other utilities
- Continuation and continued evaluation of Mesa's customer programs



QUESTIONS?

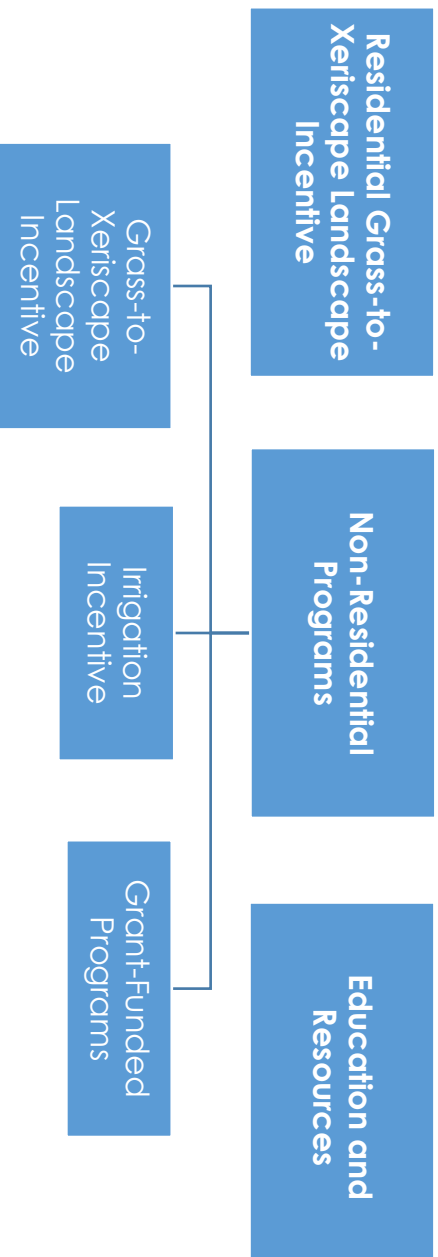


The logo features the 'mesa·az' logo at the top left, a stylized green leaf, and the words 'CLIMATE ACTION PLAN' in large, bold letters. 'CLIMATE' is in blue, and 'ACTION PLAN' is in green. Below the main text is the tagline 'For a Sustainable Community'. The entire logo is set against a blue background with a row of colored dots (orange, yellow, green, blue) above and below the text.

Scott Bouchie, Energy and Sustainability Director
Lauren Whittaker, Environmental Programs Supervisor
Becky Zusy, Conservation Coordinator



Water Conservation Programs



CITY OF MESA CLIMATE ACTION PLAN: FOR A SUSTAINABLE COMMUNITY

Who are Non-Residential Customers?

- HOAs
- Apartments
- Churches
- Businesses
- Non-profits



CITY OF MESA CLIMATE ACTION PLAN: FOR A SUSTAINABLE COMMUNITY

Non-Residential Irrigation Equipment Incentives

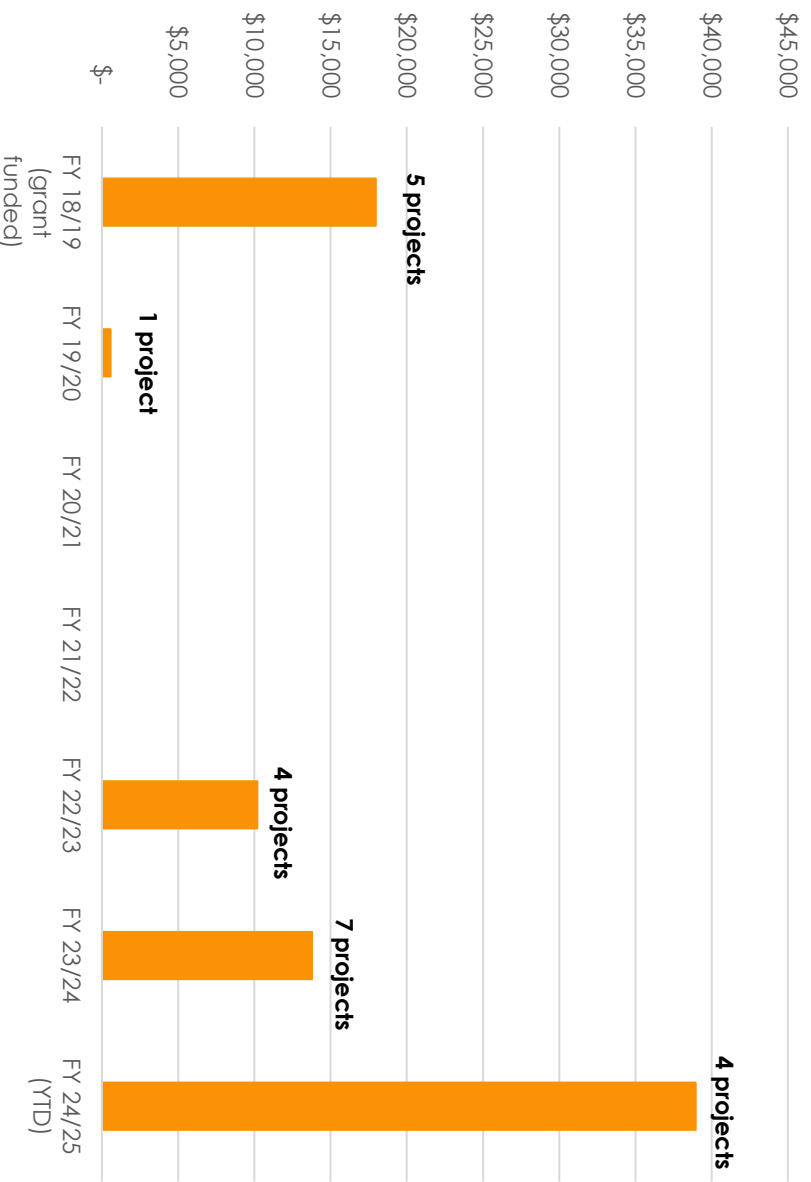
Program Highlights

- Maximum incentive of \$12,500
- 2018 – 2019: Bureau of Reclamation grant funded
- 2019 – present: City funded
- April 2024: Increased incentive maximum to \$20,000
- October 2024: Reduced incentive maximum to \$10,000
- Cumulative savings: 68,000,000 gallons (209 acre feet)
- Expected annual savings from 2024 projects: 13,400,000 gallons (41 a.f.)
- Estimated savings between 15 – 22% of annual landscape water per site



Non-Residential Irrigation Incentives

Incentives Distributed



CITY OF MESA CLIMATE ACTION PLAN: FOR A SUSTAINABLE COMMUNITY

Non-Residential Grass-to-Xeriscape Landscape Incentive

Years	Funding Source	Incentive Min/Max	Completed Projects
2010 - 2018	Bureau of Reclamation grant funding	\$5,000/\$10,000	25
2019 – 2023	City of Mesa	\$5,000/\$10,000	3

Summary 2010 - 2023

- Estimated cumulative savings: **88,200,000 gallons** (270 acre feet)
- More than **422,000 square feet** of grass removed (10 acres)
- **28** customers completed conversions

WIFA Funding for Non-Residential Customers and Water Conservation



Grass-to-
Xeriscape
Landscape
Incentives
\$710,000*

Waterfluence
Water
Management
Platform for
HOAs
\$118,800

Landscape
Assessments for
HOAs
\$87,500*

*January 2025 approved shift in categories

CITY OF MESA CLIMATE ACTION PLAN: FOR A SUSTAINABLE COMMUNITY

WIFA-Funded Non-Residential Grass-to-Xeriscape Landscape Incentive

- Up to \$50,000
- \$2/square foot of grass removed
- Assumed 25 gallons/square foot annual savings
- 50% required low-water-use plant canopy coverage to replace living grass



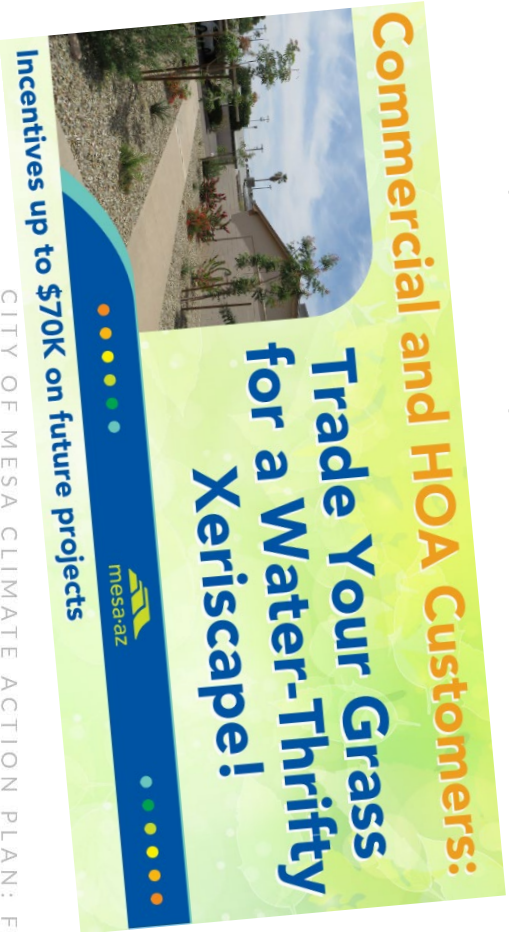
Before



After

Advertising Methods

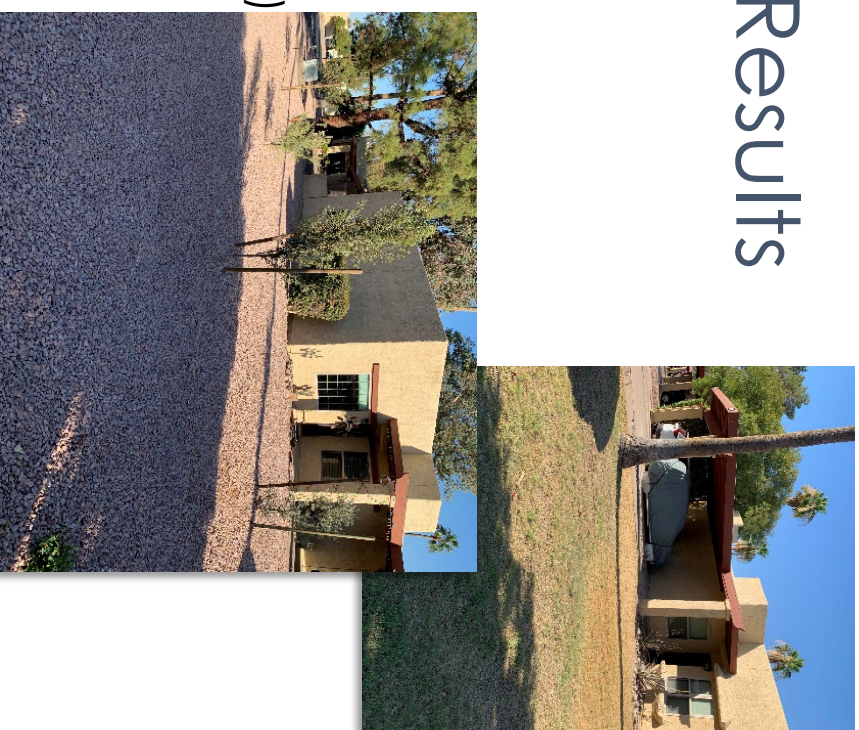
- Webinar
- Multiple direct emails and calls
- Newsletter articles, including Next Mesa DSD Newsletter, Community Engagement, Chamber of Commerce, and Together in Service (Faith-Based)
- Social media posts
- Direct mail dual-sided flyer with incentives and overseeding messaging to all landscape meter customers



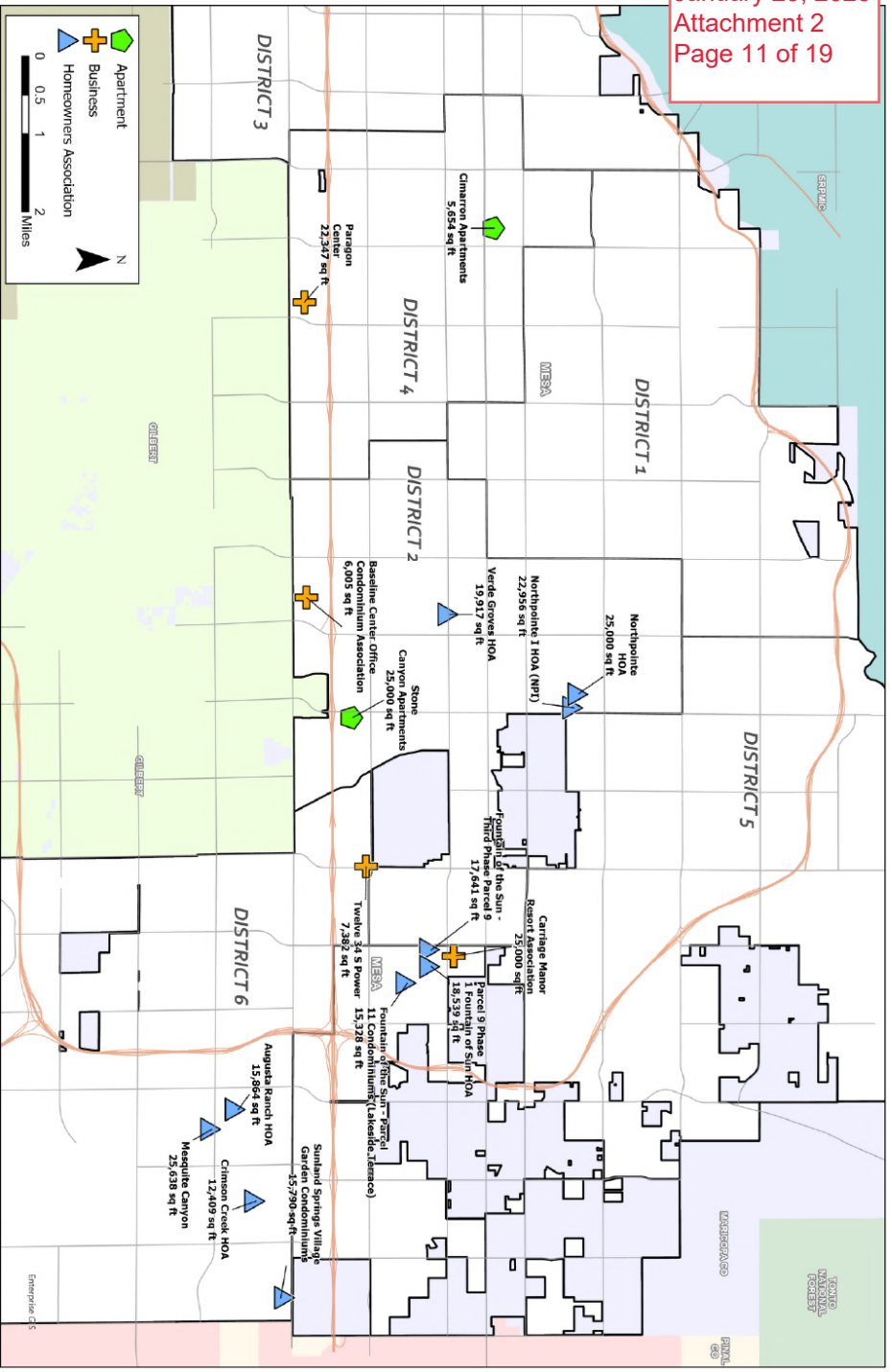
CITY OF MESA CLIMATE ACTION PLAN: FOR A SUSTAINABLE COMMUNITY

WIFA 2024 Funding Results

- 10 months to obligate nearly all funds
- **17 customers**
- Average of \$33,000/incentive
- Estimated annual savings: **7,000,000 gallons** (21.5 acre feet)
- Anticipated 5 year cumulative savings: **105,000,000 gallons** (325 acre feet)
- 282,000 square feet of grass removed (6.5 acres)



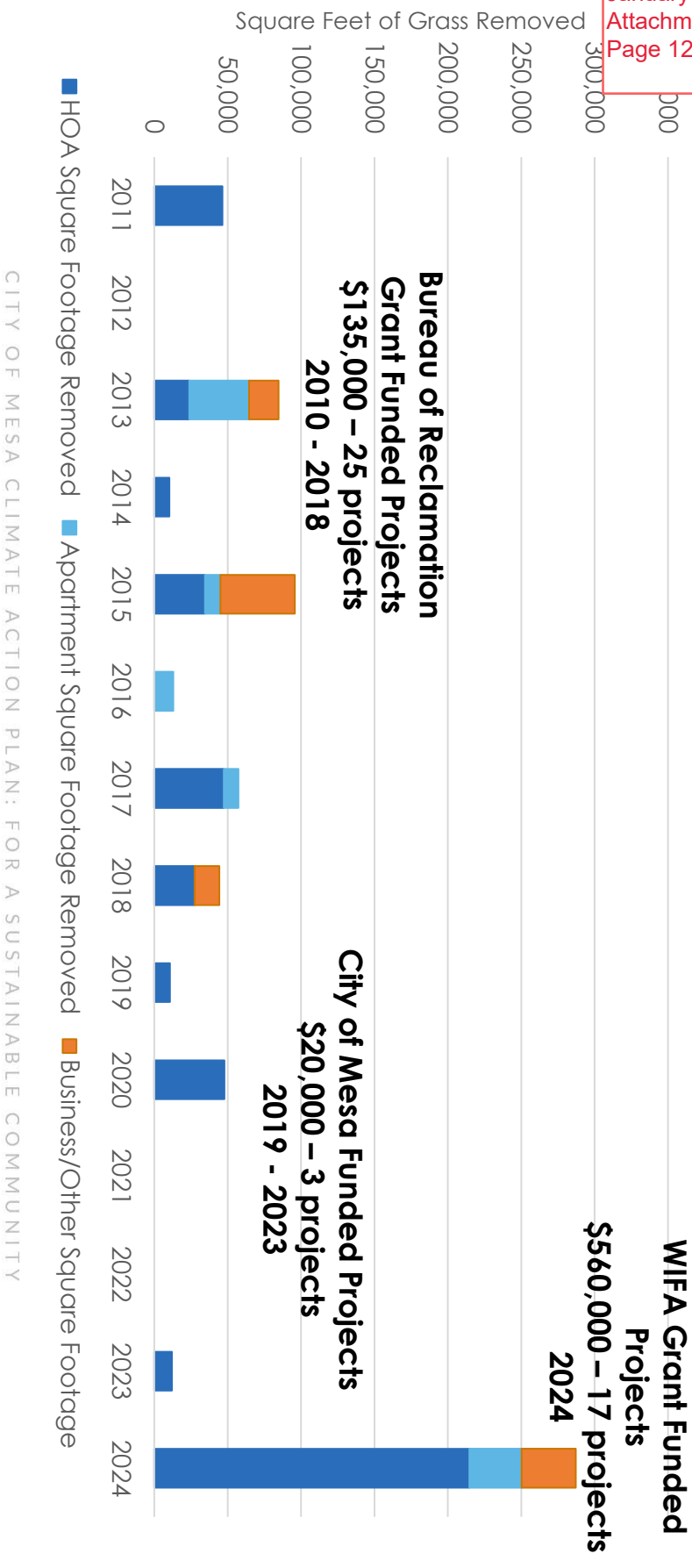
CITY OF MESA CLIMATE ACTION PLAN: FOR A SUSTAINABLE COMMUNITY



WIFA Funded Grass-to- Xeriscape Projects



Non-Residential Grass-to-Xeriscape Landscape Incentive Program Square Footage Removed by Sector

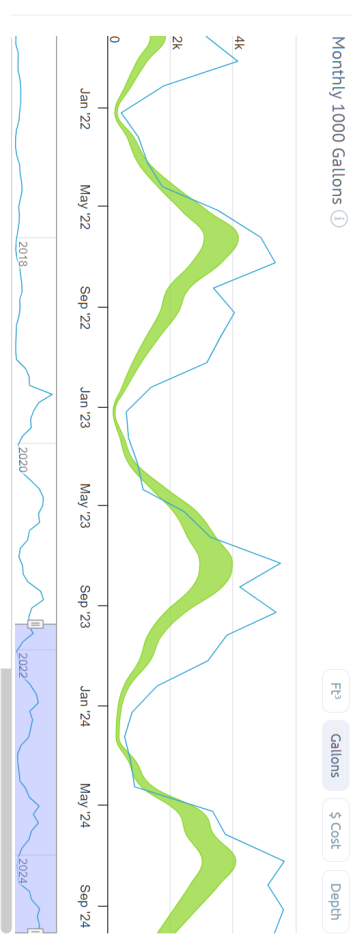


CITY OF MESA CLIMATE ACTION PLAN: FOR A SUSTAINABLE COMMUNITY

Non-Residential WIFA Grant Funded Upcoming Programs

Waterfluence (\$118,500)

- Early spring 2025
- Available for ~450 HOAs with dedicated landscape meters
- Landscape maps for each
- Individual water use recommendations vs actual monthly water use
- Anticipated annual savings of 40,000,000 gallons (125 acre-feet)



Non-Residential WIFA Grant Funded Upcoming Programs



Landscape Assessments (\$87,000)

- Summer 2025
- Targeting 40-50 most inefficient HOA water users via Waterfluency
- Professional landscape company standardized report for achieving savings
- Goal of five percent (5%) savings or nearly 13,000,000 gallons annually (39 acre-feet)



CITY OF MESA CLIMATE ACTION PLAN: FOR A SUSTAINABLE COMMUNITY

Residential Grass-to-Xeriscape

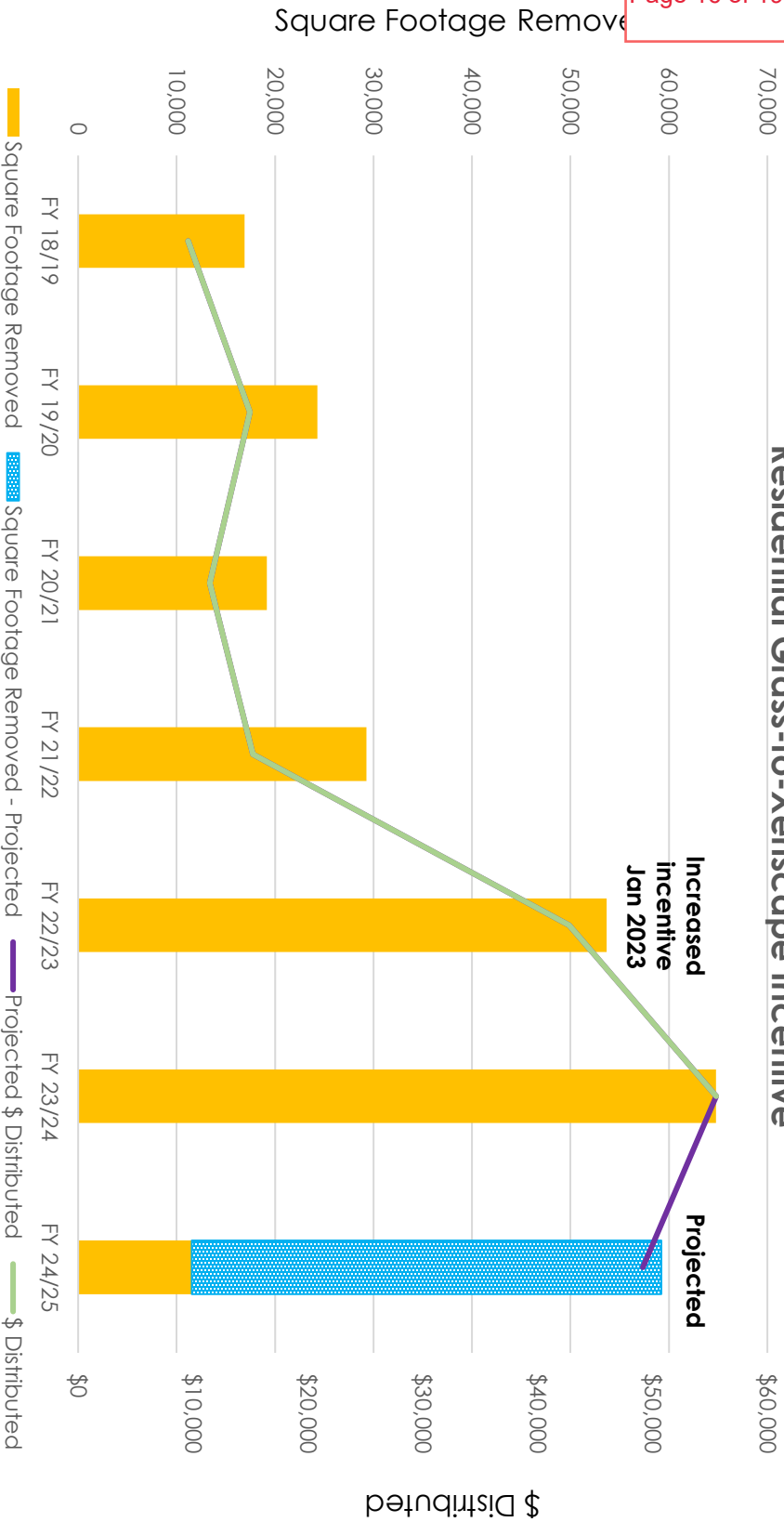
City-funded program

- \$15,000 in funding annually for 5 years from SRP
- 50% low-water-use plant canopy requirement
- Tree bonus for adding trees
- Assumed 25 gallons/square foot annual savings



CITY OF MESA CLIMATE ACTION PLAN: FOR A SUSTAINABLE COMMUNITY

Residential Grass-to-Xeriscape Incentive



Residential Results By the Numbers

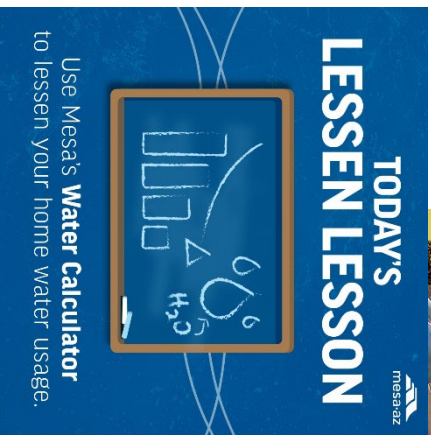
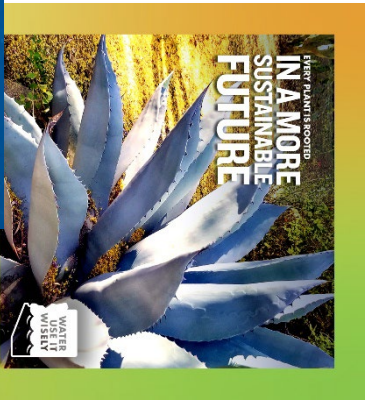


- Since 2007, more than **600 homes** have completed their conversions
- More than **575,000 square feet** of grass have been removed (10.7 acres)
- Estimated cumulative savings of **142,000,000 gallons** of water (435 acre feet)
- Since 2019, **230 trees** have been planted



CITY OF MESA CLIMATE ACTION PLAN: FOR A SUSTAINABLE COMMUNITY

Educational Tools and Resources





Questions?

CITY OF MESA CLIMATE ACTION PLAN: FOR A SUSTAINABLE COMMUNITY

[MESA.AZ.GOV/CLIMATEACTION](https://mesaaz.gov/climateaction)

