

**AGENDA
ORO VALLEY TOWN COUNCIL
REGULAR SESSION
April 6, 2011
ORO VALLEY COUNCIL CHAMBERS
11000 N. LA CAÑADA DRIVE**

REGULAR SESSION AT OR AFTER 5:00 PM

CALL TO ORDER

ROLL CALL

EXECUTIVE SESSION AT OR AFTER 5:00 PM

Pursuant to ARS 38-431.03(A)(3) Legal advice regarding outside employment of Town employees and Pursuant to ARS section 38-431.03(A)(4) for discussion or consultation with the Town Attorney with regard to the Town of Oro Valley v. Vestar Development et. al. litigation

RESUME REGULAR SESSION AT OR AFTER 6:00 PM

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

UPCOMING MEETING ANNOUNCEMENTS

COUNCIL REPORTS

DEPARTMENT REPORTS

The Mayor and Council may consider and/or take action on the items listed below:

ORDER OF BUSINESS: MAYOR WILL REVIEW THE ORDER OF THE MEETING

INFORMATIONAL ITEMS

1. Staff Recognition Letters
2. DIS Customer Feedback Forms
3. Agency Letters of Appreciation

CALL TO AUDIENCE – At this time, any member of the public is allowed to address the Mayor and Town Council on any issue *not listed on today's agenda* . Pursuant to the Arizona Open Meeting Law, individual Council Members may ask Town Staff to review the matter, ask that the matter be placed on a future agenda, or respond to criticism made by speakers. However, the Mayor and Council may not discuss or take legal action on matters raised during "Call to Audience." In order to speak during "Call to Audience" please specify what you wish to discuss when completing the blue speaker card.

PRESENTATIONS

1. Presentation of Certificates of Appreciation to the Public Advisory Committee for their work on successfully completing the Environmentally Sensitive Lands project
2. Presentation by Helen Dankwerth on behalf of the Friends of the Library

CONSENT AGENDA (Consideration and/or possible action)

- A. Minutes - February 16, 2011 Town Council Meeting
- B. Development & Infrastructure Services Department - Permitting Division - January 2011 Reports
- C. Development & Infrastructure Services Department Permitting Division - February 2011 Reports
- D. Transit Division Monthly Report - February 2011
- E. Consideration of acceptance of the Oro Valley Water Utility Commission Annual Report dated April, 2011
- F. Council approval of market adjustments for two job classifications both lagging by greater than 25% of market
- G. Resolution No. (R)11-18 Authorizing and Approving a Line Extension Agreement for Construction of Protected Water Facilities Under Private Contract Between the Town of Oro Valley and The Shoppes at Oracle Road, LLC
- H. Resolution No. (R)11-19 Authorizing and Approving a Temporary Lease Agreement between the Town of Oro Valley and EC Tenant Corporation for Storage and Staging of Materials and Equipment
- I. Resolution No. (R)11-20 Authorizing and approving a License Agreement between the Town of Oro Valley and Michael J. and Karen M. Duellman for the installation and maintenance of landscaping on Town owned property located at Sun City Vistoso Unit 12, Lot 277, Parcel Number 223-01-8240
- J. Resolution No. (R)11-21 Authorizing and Approving an Employment Agreement for the Town Magistrate, George Dunscomb

REGULAR AGENDA

1. PUBLIC HEARING - DISCUSSION AND POSSIBLE ACTION REGARDING AN APPLICATION FOR A SERIES 12 (RESTAURANT) LIQUOR LICENSE FOR PICAZZO'S ORGANIC ITALIAN KITCHEN LOCATED AT 7850 N. ORACLE ROAD
2. POSSIBLE DIRECTION TO TOWN ATTORNEY WITH REGARD TO THE TOWN OF ORO VALLEY v. VESTAR DEVELOPMENT ET. AL. LITIGATION
3. DISCUSSION AND POSSIBLE ACTION REGARDING THE ORO VALLEY MUNICIPAL POOL FEASIBILITY STUDY

4. DISCUSSION AND POSSIBLE ACTION REGARDING A VOLUNTARY RETIREMENT PLAN OFFERING TO ELIGIBLE TOWN EMPLOYEES
5. DISCUSSION AND POSSIBLE ACTION BY THE TOWN COUNCIL AUTHORIZING A COUNCILMEMBER LIAISON TO BE PRESENT AT MEETINGS AND INFORMED OF COMMUNICATIONS OR DISCUSSIONS REGARDING NEGOTIATIONS OVER THE MEMORANDUM OF UNDERSTANDING BETWEEN THE TOWN AND PUBLIC SAFETY EMPLOYEES

FUTURE AGENDA ITEMS (The Council may bring forth general topics for future meeting agendas. Council may not discuss, deliberate or take any action on the topics presented pursuant to ARS 38-431.02H)

CALL TO AUDIENCE – At this time, any member of the public is allowed to address the Mayor and Town Council on any issue *not listed on today's agenda*. Pursuant to the Arizona Open Meeting Law, individual Council Members may ask Town Staff to review the matter, ask that the matter be placed on a future agenda, or respond to criticism made by speakers. However, the Mayor and Council may not discuss or take legal action on matters raised during “Call to Audience.” In order to speak during “Call to Audience” please specify what you wish to discuss when completing the blue speaker card.

ADJOURNMENT

POSTED: 03/25/11 at 5:00 p.m. by tlg

When possible, a packet of agenda materials as listed above is available for public inspection at least 24 hours prior to the Council meeting in the office of the Town Clerk between the hours of 8:00 a.m. – 5:00p.m.

The Town of Oro Valley complies with the Americans with Disabilities Act (ADA). If any person with a disability needs any type of accommodation, please notify the Town Clerk's Office at least five days prior to the Council meeting at 229-4700.

INSTRUCTIONS TO SPEAKERS

Members of the public have the right to speak during any posted public hearing. However, those items not listed as a public hearing are for consideration and action by the Town Council during the course of their business meeting. Members of the public may be allowed to speak on these topics at the discretion of the Chair.

If you wish to address the Town Council on any item(s) on this agenda, please complete a speaker card located on the Agenda table at the back of the room and give it to the Town Clerk. **Please indicate on the speaker card which item number and topic you wish to speak on, or if you wish to speak during “Call to Audience”, please specify what you wish to discuss when completing the blue speaker card.**

Please step forward to the podium when the Mayor announces the item(s) on the agenda which you are interested in addressing.

1. For the record, please state your name and whether or not you are a Town resident.
2. Speak only on the issue currently being discussed by Council. Please organize your speech, you will only be allowed to address the Council once regarding the topic being discussed.
3. Please limit your comments to 3 minutes.
4. During “Call to Audience” you may address the Council on any issue you wish.

5. Any member of the public speaking must speak in a courteous and respectful manner to those present.

Thank you for your cooperation.



Town Council Regular Session

Item # 1.

Meeting Date: 04/06/2011

Submitted By: Arinda Asper, Town Manager's
Office

Subject

Staff Recognition Letters

Attachments

Staff Recognition Letters

MAR 10 2011

WILLIAM L. BERLAT
Box 2651
Pinetop, AZ 85935

Hon. S.I. Hiremath
Mayor
Town of Oro Valley
Administration Building
11000 N. La Cañada Drive
Oro Valley, Arizona 85737

March 7, 2011

Dear Mayor Hiremath,

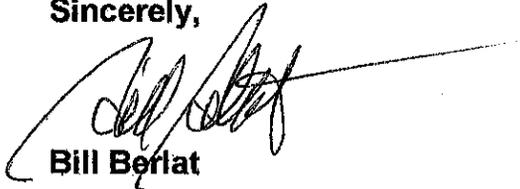
I write to tell you and the council how much I appreciate the work and efforts of your police department under the leadership of Chief Danny Sharp.

My wife, Patricia, passed away on March 3, 2011. There were many times my daughters and I had to contact the department for assistance.

The officers were always prompt, courteous, and respectful.

You should take great pride in the men and women serving your community.

Sincerely,



Bill Berlat

cc: Chief Danny Sharp
Oro Valley Police Department
11000 N. La Cañada Drive
Oro Valley, Arizona 85737

CC: SUZ
Jerene ✓
Pat

MAR 7 2011

October 25, 2010

Mr. David Williams
Town of Oro Valley
Senior Planner
11000 North La Canada Drive
Tucson, Arizona 85737

Dear Mr. Williams,

On behalf of Goodwill Industries of Southern Arizona, Inc., I would like to extend our heartfelt thanks for the time and hard work you have provided to Goodwill Industries of Southern Arizona, Inc. in the opening of a new store in Oro Valley.

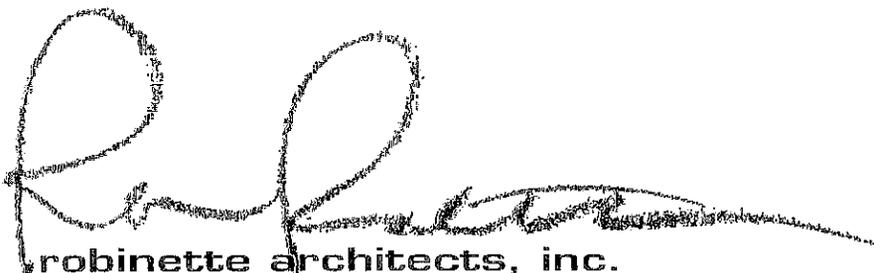
We are looking forward to working and partnering with you on this and future projects. Your assistance is appreciated.

Sincerely,



Ronald W. Robinette
Chairman of the Board

RWR/jjg



robinette architects, inc.

1670 east river road, suite 112, tucson, arizona 85718 (520) 323-3979 fax (520) 888-5518
www.robinettearchitect.com



Town Council Regular Session

Item # 2.

Meeting Date: 04/06/2011

Submitted By: Arinda Asper, Town Manager's
Office

Subject

DIS Customer Feedback Forms

Attachments

DIS Customer Feedback Forms



Development and Infrastructure Services Department
11000 N. La Cañada Drive • Oro Valley, Arizona 85737
www.orovalleyaz.gov

MAR 17 2011

Marlene Hannon

297-5792

2/7/11

Customer Name (Please Print)

Contact Phone (Optional)

Date

Meeting our Customer's needs is important to us. We welcome your suggestions and comments and encourage you to fill out this form.

1. Were the steps for the development, permit, or inspection process clearly explained and understandable?

Yes? No?

2. Were the development, permit, and/or inspection approval (s) received within the timeline goals prescribed?

Yes? No?

3. Was the service professional, courteous and helpful?

Yes? No? Would you like to name any employee(s) that you feel provided exceptional service? _____

4. Did you experience any problem getting the information you needed? If yes, what aspect? _____

5. Any general comments?

yes - Phone systems is confusing & uninformative & I get lost in system & then system returns you to the beginning

Thank you for taking your time to help us improve!



MAR 17 2011

Development and Infrastructure Services Department
11000 N. La Cañada Drive • Oro Valley, Arizona 85737
www.orovalleyaz.gov

Robin Van De Putte

282-1111

3/9/2011

Customer Name (Please Print)

Contact Phone (Optional)

Date

Meeting our Customer's needs is important to us. We welcome your suggestions and comments and encourage you to fill out this form.

1. Were the steps for the development, permit, or inspection process clearly explained and understandable?

Yes? No?

2. Were the development, permit, and/or inspection approval (s) received within the timeline goals prescribed?

Yes? No?

3. Was the service professional, courteous and helpful?

Yes? No? Would you like to name any employee(s) that you feel provided exceptional service? *Patty + Charles are top notch*

employees, who go the extra mile.

4. Did you experience any problem getting the information you needed? If yes, what aspect? *No*

5. Any general comments?

Fabulous Customer service in our community

Thank you for taking your time to help us improve!



Town Council Regular Session

Item # 3.

Meeting Date: 04/06/2011

Submitted By: Catherine Hendrix, Police
Department

Subject

Agency Letters of Appreciation

Attachments

[Appreciation Letters 032311](#)

2430 South Swan Road
Tucson, AZ 85711

TCA 100/17- C



**U.S. Customs and
Border Protection**

FEB 28 2011

Mr. Daniel G. Sharp
Chief of Police
11000 North La Cañada Drive
Tucson, AZ 85737-7016

Dear Chief Sharp:

On behalf of the Department of Homeland Security, U.S. Customs and Border Protection, and U.S. Border Patrol, thank you for your department's support in providing traffic control the day of the memorial for Border Patrol Agent Brian Terry on January 21, 2010. We take great comfort in knowing that we do not stand alone in our grief and we were honored to have your agency stand with us as we paid our respects to Agent Terry and his family. Although our sorrow will never fade away completely, the outpouring of support from our law enforcement partners has been instrumental in helping us begin the healing process. Again, thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Randy R. Hill".

Randy R. Hill
Chief Patrol Agent

Received by

MAR 04 2011 *cm*

Oro Valley Police Dept.



Terry S. Rozema
Chief of Police

March 2, 2011

Chief Daniel G. Sharp
Oro Valley Police Department
11000 N. La Canada Drive
Oro Valley, AZ 85737

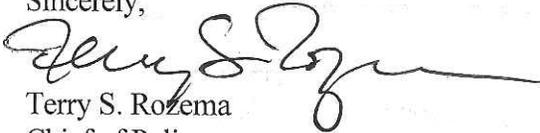
Dear Sharp,

I would like to thank you and your staff for assisting us during the 2011 Accenture Match Play World Golf Championship February 21st – 27th. With your help we were able to staff each position, ensuring the safety of motorists and spectators who attended this event.

Your officers displayed professionalism and teamwork that contributed to a successful event. We look forward to working with you and your agency in the future.

Again, thank you for your support.

Sincerely,



Terry S. Rozema
Chief of Police

Received by

MAR 07 2011 

Oro Valley Police Dept.



Town Council Regular Session

Item # 1.

Meeting Date: 04/06/2011

ESL Public Advisory Committee: Certificates of Appreciation Presentation

Subject

Presentation of Certificates of Appreciation to the Public Advisory Committee for their work on successfully completing the Environmentally Sensitive Lands project



Town Council Regular Session

Item # 2.

Meeting Date: 04/06/2011

Presentation by Helen Dankwerth, Friends of the Oro Valley Public Library

Subject

Presentation by Helen Dankwerth on behalf of the Friends of the Library



Town Council Regular Session

Item # A.

Meeting Date: 04/06/2011

Requested by: Julie K. Bower

Submitted By:

Mike Standish, Town
Clerk's Office

Department: Town Clerk's Office

SUBJECT:

Minutes - February 16, 2011 Town Council Meeting

RECOMMENDATION:

N/A

EXECUTIVE SUMMARY:

N/A

BACKGROUND OR DETAILED INFORMATION:

N/A

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

I MOVE to approve the February 16, 2011 Council minutes.

Attachments

February 16, 2011 Council Minutes

**MINUTES
ORO VALLEY TOWN COUNCIL
REGULAR SESSION
February 16, 2011
ORO VALLEY COUNCIL CHAMBERS
11000 N. LA CANADA DRIVE**

REGULAR SESSION

CALL TO ORDER - at 5:00 PM

ROLL CALL

PRESENT:

Satish Hiremath, Mayor
Mary Snider, Vice Mayor
Bill Garner, Councilmember
Barry Gillaspie, Councilmember
Joe Hornat, Councilmember
Steve Solomon, Councilmember
Lou Waters, Councilmember

EXECUTIVE SESSION

MOTION: A motion was made by Vice Mayor Snider and seconded by Councilmember Waters to go into Executive Session at 5:01 p.m. for the purpose of receiving legal advice pursuant to ARS 38-431.03 (A)(3) regarding Reflections at the Buttes Litigation.

MOTION carried, 7-0.

Mayor Hiremath stated that the following individuals will join Council in Executive Session: Town Attorney Tobin Sidles, Jeff Murray outside defense council, Assistant Town Manager Greg Caton, Finance Director Stacey Lemos, and Town Clerk Julie Bower.

RESUME REGULAR SESSION

CALL TO ORDER - at 6:00 PM

ROLL CALL

PRESENT:

Satish Hiremath, Mayor
Mary Snider, Vice Mayor
Bill Garner, Councilmember
Barry Gillaspie, Councilmember

Joe Hornat, Councilmember
Steve Solomon, Councilmember
Lou Waters, Councilmember

PLEDGE OF ALLEGIANCE

Mayor Hiremath led the audience in the Pledge of Allegiance.

UPCOMING MEETING ANNOUNCEMENTS

Assistant Town Manager Greg Caton announced the upcoming Town meetings.

COUNCIL REPORTS

Councilmember Hornat stated that the first Council on Your Corner 2.0 took place last night and it went well. Councilmember Hornat thanked everyone for attending in person and via the internet.

DEPARTMENT REPORTS

Transit Division Manager Aimee Ramsey gave an update on the Sun Shuttle transit service. Ms. Ramsey clarified that the Sun Shuttle service is a curb to curb service which means that individuals can be picked up anywhere in the "blue zone" and dropped off anywhere in the "blue zone". The service will cost \$2.50 one way or \$5.00 round trip.

ORDER OF BUSINESS

Mayor Hiremath noted that the order will stand as presented.

INFORMATIONAL ITEMS

There were no informational items.

CALL TO AUDIENCE

Oro Valley resident Mr. Richard Tracy briefly discussed a newspaper article regarding human capital and clarified that there will be a budget study session on February 23rd.

PRESENTATIONS

There were no presentations.

CONSENT AGENDA

Councilmember Solomon requested that item (D) be removed from the Consent Agenda so that it could be discussed and voted on separately.

- A. Minutes - January 19, 2011
- B. Approval of Town Manager's Annual Performance Goals
- C. Re-appointment of Jeremy Christopher to the Oro Valley Board of Adjustment (BOA) with a term effective through December 31, 2013
- E. Amending the 2010 Town Council Liaison Assignments by changing the liaison to the Stormwater Utility Commission to Councilmember Bill Garner
- F. Fiscal Year 2010/11 Financial Update Through December 2010

MOTION: A motion was made by Councilmember Garner and seconded by Vice Mayor Snider to approve the Consent Agenda with the exception of item (D).

MOTION carried, 7-0.

D. Police Department - December 2010 Statistics

Councilmember Solomon asked why response times for priority one calls only met the response time criteria of five minutes 71% of the time.

Chief Sharp stated that December was a busy month with many complicated calls. Staffing levels have also steadily decreased due to vacancies not being filled. From 2008 - 2010, injury collisions have increased 22%, thefts have increased 16%, and frauds have increased 5%.

Councilmember Hornat asked if the increase in thefts was seasonal or if this is something that the town will see again in January.

Chief Sharp stated that retail thefts are trending higher.

MOTION: A motion was made by Councilmember Hornat and seconded by Councilmember Solomon to approve item (D) as presented.

MOTION carried, 7-0

REGULAR AGENDA

- 1. RESOLUTION NO. (R) 11-12 DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT KNOWN AS ORO VALLEY ZONING CODE REVISED CHAPTER 26, SUBDIVISION AND DEVELOPMENT PLANS, SECTION 26.5, PROVISION OF RECREATIONAL AREA, AND CHAPTER 31, DEFINITIONS ATTACHED HERETO AS EXHIBIT "A" AND FILED WITH THE TOWN CLERK**

MOTION: A motion was made by Councilmember Hornat and seconded by Councilmember Waters to approve Resolution No. (R) 11-12 declaring as a public record that certain document known as Oro Valley Zoning Code Revised Chapter 26, Subdivision and Development Plans, Section 26.5, Provision of Recreational Area, and Chapter 31, Definitions attached hereto as Exhibit "A" and filed with the Town Clerk.

MOTION carried, 7-0.

- 2. PUBLIC HEARING - ORDINANCE NO. (O) 11-05 ADOPTING A NEW ORO VALLEY ZONING CODE REVISED (OVZCR) CHAPTER 26, SUBDIVISION AND DEVELOPMENT PLANS, SECTION 26.5, PROVISION OF RECREATIONAL AREA AND REPEALING THE CURRENT CHAPTER 26, SUBDIVISION AND DEVELOPMENT PLANS, SECTION 26.5, PROVISION OF RECREATIONAL AREA, ATTACHED HERETO AS EXHIBIT "A"; AND AMENDING CHAPTER 31, DEFINITIONS; REPEALING ALL RESOLUTIONS, ORDINANCES AND RULES OF THE TOWN OF ORO VALLEY IN CONFLICT THEREWITH; PRESERVING THE RIGHTS AND DUTIES THAT HAVE ALREADY MATURED AND PROCEEDINGS THAT HAVE ALREADY BEGUN THEREUNDER**

Planning Manager David Williams gave an overview of Ordinance No. (O) 11-05. Mr. Williams stated that the main purpose of the proposed ordinance is to:

Address deficiencies in the current Code including:

- In-Lieu Fee Options
- Location Requirements
- Active/Passive Area Definitions
- Recreational Area Design
- Crime Prevention Through Environmental Design (CPTED)

Planning Manager David Williams gave an overview of the Oro Valley park system which includes regional parks, community parks, neighborhood parks, and tot lot/pocket parks. The proposed Code amendment addresses the neighborhood parks and the tot lot/pocket parks.

Mr. Williams explained that the in-lieu fee option was added to promote recreational areas in subdivisions and it creates more of an "Apples to Apples" approach. The fee now includes land and improvement costs and the availability of a full in-lieu option is limited to 43 lots or fewer. The "hybrid" in-lieu option is available for 44 or more lots.

Mr. Williams explained the proposed in-lieu fee option changes and discussed the exemption option for large lot subdivisions. Location standards have been modified to offer more flexibility to the builder and recreational amenities must be age appropriate. Playground equipment specifications such as location, shade, safety and ground surface materials have also been changed in this Code amendment.

Mr. Williams stated that Crime Prevention Through Environmental Design (CPTED) standards have been added to this Code change and that site design, lighting, signs and landscape will be reviewed by the Police Department to enhance safety and security.

The proposed Code changes have been reviewed by the Parks, Recreation, Library & Cultural Resources Department, the Police Department, the Parks and Recreation Advisory Board, the Southern Arizona Home Builders Association (SAHBA), Metropolitan Pima Alliance (MPA), and other interested residents.

Mr. Williams reviewed SAHBA and MPA comments. The Parks and Recreation Advisory Board and the Planning and Zoning Commission reviewed the amendments and both boards recommended approval.

Mr. Williams stated that staff believes that the proposed amendments are consistent with the General Plan and they address policies for recreational needs within the community. The proposed amendments refine the in-lieu fee option and are qualitative in nature and do not increase the area and number of required amenities. It also addresses environmentally sensitive open space (ESOS), indoor amenities credits, and linear park options.

Councilmember Hornat inquired as to when the town actually receives the check for the in-lieu fees. Mr. Williams responded that the town receives the in-lieu fees once the final subdivision plat is approved.

Mr. Williams clarified that the hybrid design for in-lieu fees allows developers to write a check for a portion of the recreational facilities and then build the other portion. The development community likes this option and staff believes that it is reasonable.

Councilmember Garner asked where the money is deposited and how it is administered.

Mr. Williams said that the money is deposited into a separate account and then staff would have discussions with developers to earmark the money for a specific project.

Councilmember Solomon voiced his concerns regarding the possibility that the proposed Code may violate the Federal Fair Housing laws with regards to demographics.

Councilmember Garner asked if there were any provisions in place that would not allow the in-lieu fees to be used for general O&M costs.

Parks, Recreation, Cultural Resources & Library Director Ainsley Legner stated that she believes that specific language is in place so that monies from the in-lieu fee fund can't be used for general operation and maintenance costs.

Discussion ensued between the Council regarding the proposed in-lieu fee options and park impact fees.

Mayor Hiremath opened the public hearing.

Oro Valley resident Mr. Bill Adler said that he thought that the Code was overly prescriptive. The manner and the specifics of the recreational area should be subject to design negotiations with staff. Mr. Adler said that he has always been opposed to in-lieu fees and is in favor of leaving whatever space is required in the subdivision, regardless of its size. This space helps to separate homes from glare and noise from the roadway and improves the quality of life for Oro Valley residents.

Mayor Hiremath closed the public hearing.

MOTION: A motion was made by Councilmember Solomon and seconded by Vice Mayor Snider to continue Ordinance No. 11-05 to a future study session.

MOTION carried, 6-1 with Councilmember Gillaspie opposed.

- 3. PUBLIC HEARING - ORDINANCE NO. (O) 11-01 ADOPTING THE ENVIRONMENTALLY SENSITIVE LANDS ORDINANCE, AMENDING THE ORO VALLEY ZONING CODE REVISED, CHAPTER 21, REVIEW AND DECISION-MAKING BODIES, CHAPTER 23, ZONING DISTRICTS, CHAPTER 31, DEFINITIONS, AND ADDING A NEW SECTION 27.10, ENVIRONMENTALLY SENSITIVE LANDS, ATTACHED HERETO AS EXHIBIT "A", AND AN ENVIRONMENTALLY SENSITIVE LANDS PLANNING MAP, ATTACHED HERETO AS EXHIBIT "B"; REPEALING ALL RESOLUTIONS, ORDINANCES, AND RULES OF THE TOWN OF ORO VALLEY IN CONFLICT THEREWITH; PRESERVING THE RIGHTS**

AND DUTIES THAT HAVE BEEN ALREADY MATURED AND PROCEEDINGS THAT HAVE ALREADY BEGUN THEREUNDER

Construction and Sustainability Administrator Bayer Vella gave an overview of the Environmentally Sensitive Lands Ordinance. In 2005, community expectations were established to look at conservation resources that were most cherished by the residents. These included open space, cultural resources, and hillside resources.

The Environmentally Sensitive Lands Ordinance (ESLO) only applies to land within town limits and the open space element will only apply to rezonings. The ESLO is separated into two paths, one for rezoning and another for development review.

Mr. Vella stated that the open space standards that the town has today are significantly lower than standards in Pinal County and even much lower than standards in Pima County. The proposed ESLO will significantly raise these standards.

Mr. Vella said that ESLO merges the science with the General Plan growth expectations to develop a balanced map to resource preservation. It also incorporates flexible design standards regarding:

- Setbacks
- Building Heights
- Development Process
- Native Plant Salvage
- Mixed Use
- Grading
- Lot Size and Density

Mr. Vella stated that another major benefit of the proposed ESLO is that it will improve the town's rezoning process relative to open space. It will allow for a clear, direct path for developers to follow in order to rezone open space.

Mayor Hiremath opened the public hearing.

Ms. Carolyn Campbell, representing the Coalition for Sonoran Desert Protection, thanked staff and Council for all of their work on the ESLO. Ms. Campbell urged the Council to adopt the ESLO tonight even though she voiced concerns over golf courses and soccer fields allowed as permitted uses. Ms. Campbell said that these uses would negate the conservation of viable habitat and wildlife areas. She also didn't agree with the language that reduced the need to have the open space configured as community open space and allowing those on lots because it is a disadvantage to the biological integrity of the land.

Mr. Dan Zwiener, Chair of the Historic Preservation Committee, spoke in favor of the cultural resources section of the ESLO. Mr. Zwiener said that staff has spent a great deal of time crafting the ESLO and a lot of input was received from many professional resources. The proposed ESLO has achieved clarity regarding code applications, streamlined review process, incorporated many provisions for time restraints, provisions for applicant appeals, open space requirements and has an overall healthy balance. He felt that the whole process incorporated a holistic approach and this code section very carefully spells out its purpose and application in regards to established conservation practices. The town needs to protect what is unique to Oro Valley in terms of its cultural resources.

Oro Valley resident Mr. Bill Adler said that the ESLO was intended to implement the General Plan. He stated that he was concerned with the proposed changes to the Code which included compromising scenic corridors, platting in open space, and minimizing the application of native plants because these changes are not supported by the General Plan. The ESLO should be passed without the proposed changes and should be given a chance to be applied as originally drafted so that its effectiveness can be measured by the results.

Oro Valley resident Mr. Don Chatfield said that he was proud of the Council for moving forward with the ESLO. The crafting of the ESLO was a very collaborative process and it involved a lot of compromise. He agreed that the idea of placing golf courses and soccer fields in open space was absurd. Mr. Chatfield supported the ordinance with the proposed amendments.

Mayor Hiremath closed the public hearing.

Councilmember Solomon clarified the environmentally sensitive land requirements for different lot sizes and stated that staff came up with the great concept of melding the scientific map along with the zoning map so that a good land use policy could be created.

MOTION: A motion was made by Councilmember Gillaspie and seconded by Councilmember Solomon to adopt Ordinance No. (O) 11-01, the Environmentally Sensitive Lands Ordinance, amending the Oro Valley Zoning Code Revised, Chapter 21, review and decision-making bodies, Chapter 23, Zoning Districts, Chapter 31, Definitions, and adding a new Section 27.10, Environmentally Sensitive Lands, Attached hereto as Exhibit "A", and an Environmentally Sensitive Lands planning map, attached hereto as Exhibit "B"; repealing all resolutions, ordinances, and rules of the Town of Oro Valley in conflict therewith; preserving the rights and duties that have been already matured and proceedings that have already begun thereunder with the inclusion of Exhibit "C" as presented.

EXHIBIT "C"
ESL ORDINANCE CONDITIONS

1. Once a property is rezoned and open space is conserved as provided in the ESL ordinance, environmental sensitive open space (ESOS) percentages may not be cumulatively reapplied a second time to the same property or subsequent parcel splits as part of any custom home, subdivision plat, development plan, conditional use permit, and/or off site improvement permits.

Rezoning on property previously subject to ESL will be evaluated by Town Council on a case by case basis.

2. On page 64, Section E.4., insert the following as item b.:

"THE REQUIRED PERCENTAGE OF ESOS IS APPLIED TO TOTAL ACREAGE OF THE IDENTIFIED RESOURCE AREA(S) AND NOT A CUMULATIVE TOTAL OF INDIVIDUAL RESOURCES SUCH AS ROCK OUTCROPS, BOULDERS, AND DISTINCTIVE PLANT STANDS."

3. Within the Scenic Resources Category of Section D.3.f, delete all references, requirements, and guidelines associated with Tier II and Tier III Scenic Corridors.
4. Within the cultural resources Section D.3.e.vi.g), (1), on page 18, amend the ESOS credit ratio as follows:

(1) Land designated as **ESOS AND** a protected cultural resources site in accordance with an approved treatment plan shall qualify as required ESOS on a ~~4:1~~ **1:3** basis (each square foot of cultural resource site shall equal ~~one (1)~~ **three (3)** square ~~feet~~ **feet** of required ESOS) as ~~determined by the Planning and Zoning Administrator.~~

5. Within the cultural resources Section D.3.e.vi, a), (3) on page 16, amend the following provisions associated with assigning a cultural resource professional:

(3) The cultural resource professional utilized must be selected **BY THE APPLICANT** from a prequalification list maintained by the Planning and Zoning Administrator.

and amend Section D.3.e.v,d), (1) and (2) on Page 14 to the following:

d) If a new or updated survey is required, ~~the Planning and Zoning Administrator shall assign~~ an appropriate cultural resource professional ~~to~~ must complete the survey and Treatment Plan, as necessary.

- (1) If resources are present, the survey shall include a recommendation, based on the criteria contained in this Section, regarding National Register and local cultural resource significance and integrity.
 - (2) If significant resources are present, ~~the Planning and Zoning Administrator shall assign~~ a cultural resource professional with appropriate specialization to **MUST** develop a Treatment Plan for the specific resource.
6. Within the Section F.2.f.vi on page 79, amend the following provisions associated with utility and road provisions in Major Wildlife Linkages:

vi. Essential Services

- a) Essential services include ~~vehicular access,~~ utilities, and sewer improvements, **AND ROADS. WITHIN THE MAJOR WILDLIFE LINKAGES, ROADS ARE LIMITED TO UTILITY ACCESS AND TRAILHEADS.**
- b) Disturbances to ESOS, ~~excluding Major Wildlife Linkages,~~ for essential services may be approved by the Town Council when:
 - (1) ~~The proposed location improves public safety;~~ or **IMPROVEMENTS DO NOT NEGATE THE INTENT TO CONSERVE VIABLE HABITAT AND CONNECTIONS FOR WILDLIFE MOVEMENT; or-AND**
 - (2) PROPOSED MITIGATION WILL BE PROVIDED TO ACHIEVE EQUIVALENT OR SUPERIOR HABITAT CONDITIONS,**
 - (2) ~~No economically viable alternative location exists,~~ and
 - (3) It has been demonstrated that the least amount of disturbance has been planned.

and amend Section E.4.a on page 64 as follows:

- a. All Resource Areas identified on the ESL Planning Map, ~~except the Major Wildlife Linkage Category,~~ enable limited encroachments as specified in Table 27.10-5.

and amend Section F.1.v. on page 69 as follows:

- v. Essential services as provided for in Section **F.2.f.vi** ~~E.3, Open Space Standards, except for Major Wildlife Linkages.~~

7. Within the Section F.2.c.iii, j) on page 72, amend the following provisions associated allowances to reduce Native Plant Salvage and Mitigation requirements:
- j) Native Vegetation Preservation. When ~~66~~ **50** percent or more of a site is preserved as ESOS, requirements for Native Plant Salvage, and Mitigation (Section 27.6B) shall be waived within a development envelope. This modification cannot be applied to areas of distinct

vegetation which are designated as a Core Resource area **OR NATIVE PLANTS THAT ARE CONSIDERED THREATENED OR ENDANGERED UNDER THE ENDANGERED SPECIES ACT OR HIGHLY SAFEGUARDED BY THE ARIZONA DEPARTMENT OF AGRICULTURE.**

- 8. Within the Section F.2.d.ii,e) on page 74, amend the following provisions associated with conservation subdivision design requirements:

- e) ~~The length of residential streets, driveways and utility lines shall be reduced in comparison to a design that complies with zoning requirements identified in Section 23.4. The length of collector streets shall not be considered in assessing overall roadway reductions.~~

- 9. Within Table 27.10 – 6 on page 76, amend the following provision associated with allowable minimum lot size reductions:

District	Minimum Base Zoning Lot Area	Minimum Conservation Subdivision Lot Size
R1-144	144,000	86,400 43,560
R1-43	43,000	24,000
R1-36	36,000	21,600
R1-20	20,000	12,000
R1-10	10,000	6,000
R1-7	7,000	5,500
SDH-6	6,000	5,500

- 10. Within Section G.5.i on page 88, amend the following provisions associated with types of seeding to be used in restoration:

- i. ~~Seed TYPES Purchase and Collection~~
 - ii. ~~If the proposed impact area is 5 acres or less in size, commercially purchased seed that is appropriate for the site may be used.~~
 - v. ~~If the proposed impact area is greater than 5 acres in size, seed will be collected from the impact site and vicinity. Seed collection shall occur in at least two seasons, spring and late summer, prior to project implementation. It is critical that the project schedule include ample time for the collection and production of local plant materials. Seeds must originate from as close to the project area as possible, and within the same watershed if possible. Alternative means to achieve collection of native seeds may be approved by the Planning and Zoning Administrator.~~

11. Within Section D.3.g.,vi,c),(2) on page 61, amend the following provision associated with separation of structures on along ridge:

(2) Minimum ~~90~~ **40** foot separation is maintained between residences.

12. Within Section E.3.i. on page 64, amend the following provision associated with subdivision of open space:

- i. ~~Required ESOS must be platted separate from any developable lot.~~
THE FOLLOWING SUBDIVISION PLAT REQUIREMENTS APPLY TO REQUIRED ESOS AREAS:
- i. **ON RESIDENTIAL LOTS ½ ACRE OR LESS, ESOS MUST BE PLATTED SEPERATELY FROM DESIGNATED BUILDING AREAS.**
- ii. **ON RESIDENTIAL LOTS GREATER THAN ½ ACRE, ESOS MAY BE INCLUDED WITHIN THE BUILDING LOT AREA OR PLATTED SEPERATELY FROM DESIGNATED BUILDING AREAS.**
- iii. **ESOS MUST BE PLATTED SEPARATELY FROM ANY DEVELOPABLE COMMERCIAL LOT.**

Councilmember Gillaspie thanked the Technical Advisory Committee, the Public Advisory Committee, town staff and the citizens for all of their help with creating the ESLO.

Mayor Hiremath asked what the drawback would be if the ESLO would only apply to newly annexed land and not any current properties within the town.

Mr. Vella responded that it would essentially render the ESLO entirely ineffective because planning only works when it is applied consistently. As for property outside of the town limits, no property owner would want to annex land and have rules applied to them that the town is not willing to apply to themselves.

Mr. Vella clarified that if a developer stays with their current zoning, the property can be re-platted as many times as the individual would like to and the ESLO open standards would not apply to them.

MOTION carried, 7-0

4. REVIEW OF PLANNING DIVISION WORK PLAN FOR FY 2010-12 WITH POSSIBLE ACTION TO AMEND OR RE-PRIORITIZE STAFF WORK EFFORTS

Planning Manager David Williams gave an overview of the Planning Division work plan and said that a two year work plan was adopted last March.

Mr. Williams described the role of planning which includes:

- Vision achievement to create a "Community of Excellence"
- Carry message and integrate across many areas and disciplines
- Public participation interface

Mr. Williams stated that the purpose of a work plan is to:

- Receive Council direction on planning related projects and initiatives
- Prioritization of planning related projects
- Coordinate with non-work plan services
- Balance and organize the work effort of the Division

Mr. Williams gave an overview of the approved work plan and discussed the projects that are complete or near completion.

Discussion ensued amongst the Council regarding the 2010-12 Planning Division work plan.

Councilmember Garner would like to see projects that would increase efficiency and save money for the town in either the immediate or distant future.

Councilmember Hornat would like to see projects that are resource intensive to be placed in a "hold" category until the final budget numbers are confirmed. These projects include: LEED designation for town hall, zoning code comprehensive review, General Plan update phase I, C-1, C-2 and mixed use zoning districts, and General Plan energy and conservation elements.

Mr. Williams clarified that the town is not required to update the General Plan until 2015.

Councilmember Solomon recommended that resource intensive projects, specifically items dealing with the General Plan, should be placed in a "hold" category until the final budget numbers are released.

Councilmember Gillaspie requested that the project regarding C-1, C-2 and mixed use zoning districts be broken out further and defined before it is integrated with other sections of the Code.

MOTION: A motion was made by Vice Mayor Snider and seconded by Councilmember Solomon to direct staff to submit a revised work plan concurrent with the proposed budget for FY 11-12.

Discussion ensued amongst the Council regarding the work plan priorities.

MOTION carried, 5-2 with Councilmember Hornat and Councilmember Solomon opposed.

5. CONSIDERATION AND POSSIBLE ACTION REGARDING AMENDMENTS TO THE TOWN OF ORO VALLEY 2011 STRATEGIC PLAN

Councilmember Hornat voiced his concerns regarding the "Peak Behind the Curtain" and the pool accreditation programs and said that he would like these items struck out of the Strategic Plan since these items take a lot of staff resources to coordinate.

Councilmember Garner agreed that the pool accreditation is not a good way of using limited resources but feels that the "Peak Behind the Curtain" program does have value in that it creates a transparent means of bringing government to the people.

Councilmember Gillaspie said that staff should be out in the community to offer details and answer questions regarding certain town projects. The pool accreditation should be viewed in terms of a morale booster for employees and another way for the town to continue to strive for excellence.

Councilmember Solomon said that the Strategic Plan was rushed and has some serious flaws. There is nothing in the document regarding police enforcement.

Mayor Hiremath said that all aspects need to be looked at regarding the pool accreditation program and that the "Peak Behind the Curtain" program is a valuable tool to the citizens.

MOTION: A motion was made by Mayor Hiremath and seconded by Councilmember Garner to accept the Strategic Plan as presented with the deletion of the pool accreditation component.

MOTION carried, 5-2 with Councilmember's Hornat and Solomon opposed.

FUTURE AGENDA ITEMS

There were no requests for future agenda items.

CALL TO AUDIENCE

There were no speakers.

ADJOURNMENT

MOTION: A motion was made by Vice Mayor Snider and seconded by Councilmember Waters to adjourn the meeting at 8:13 p.m.

MOTION carried, 7-0.

Prepared by:

Michael Standish, CMC
Deputy Town Clerk

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular session of the Town of Oro Valley Council or Oro Valley, Arizona held on the 16th day of February 2011. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 2011

Julie K. Bower, MMC
Town Clerk

DRAFT



Town Council Regular Session

Item # B.

Meeting Date: 04/06/2011

Submitted By: Roseanne Flores, Development
Infrastructure Services

SUBJECT:

Development & Infrastructure Services Department - Permitting Division - January 2011 Reports

SUMMARY:

Permitting Division - January 2011 Reports

Attachments

Activity Report

Customer Chart

Permit Activity

Plan Review

Inspection Activity

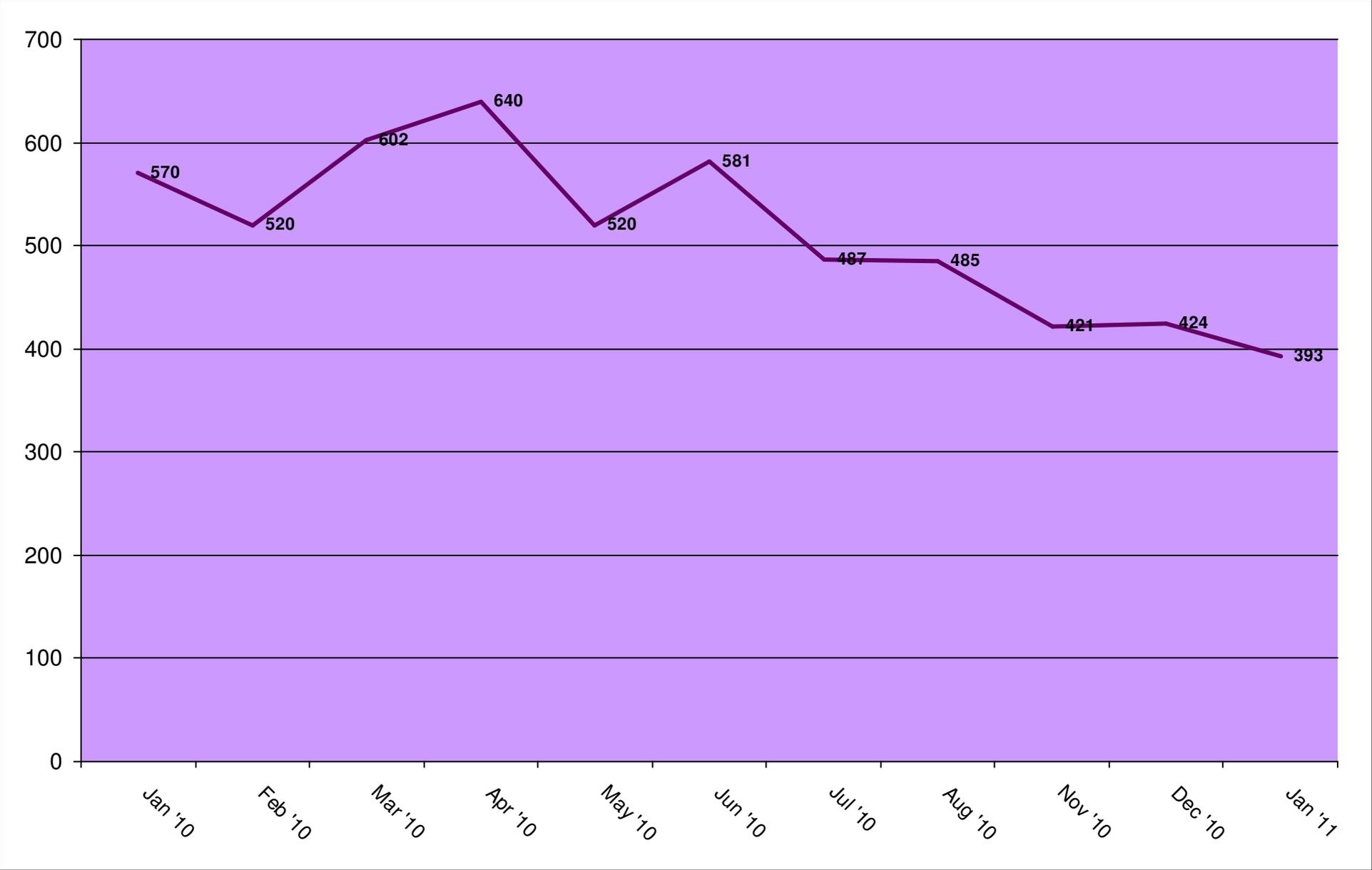
Revenue chart

Development Infrastructure Services Department
Permitting Division
Building Permits Monthly Activity Reports January 2011

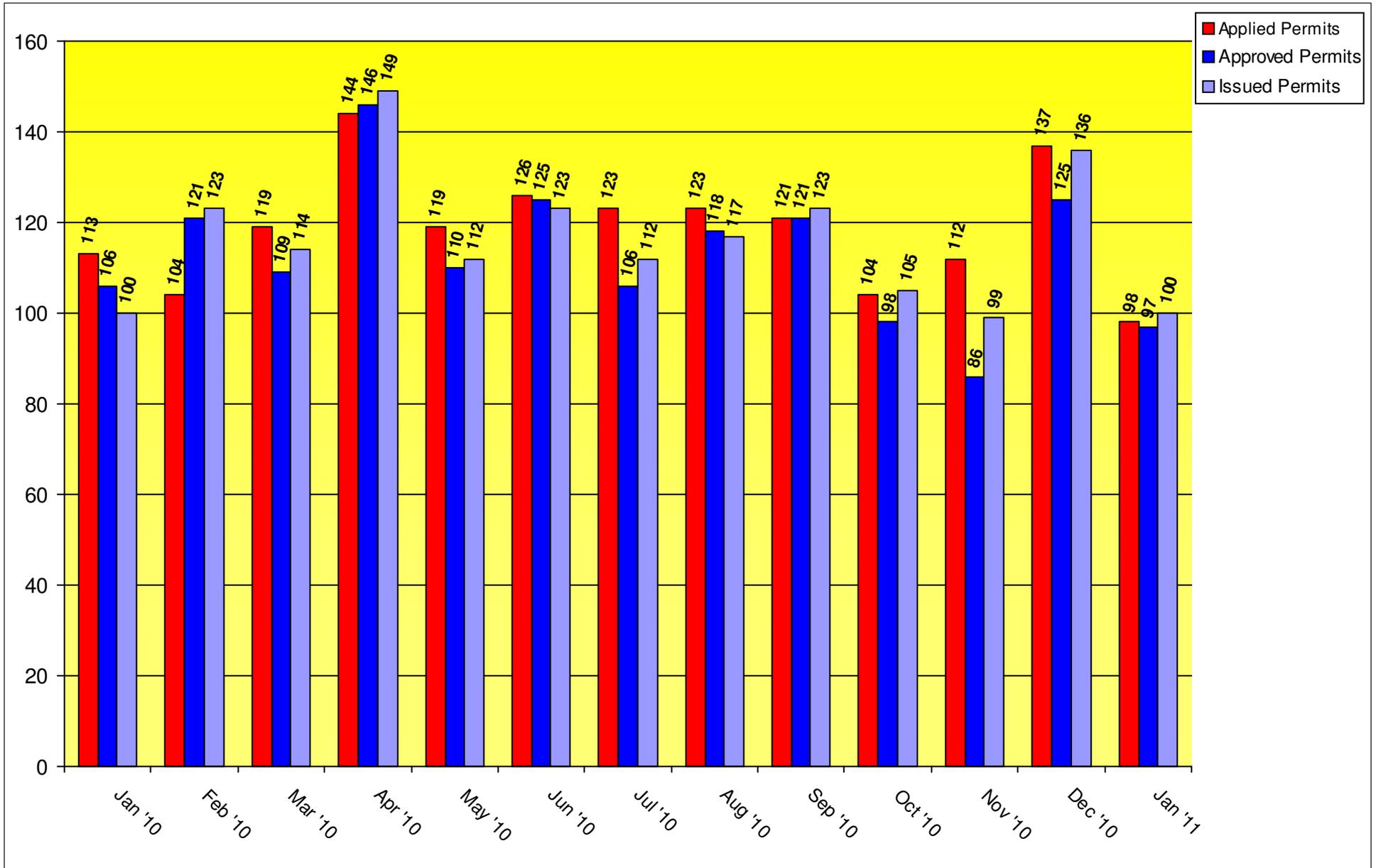
		CURRENT MONTH			PREV MONTH		SAME MONTH ONE YEAR AGO		CUMULATIVE LAST FISCAL YEAR 2009/10		CUMULATIVE THIS FISCAL YEAR 2010/11	
DESCRIPTION	CLASS CODE	January-2011			December-2010		January-2010		PERMITS	REVENUES	PERMITS	REVENUES
		PERMITS	VALUATION	REVENUES	PERMITS	REVENUES	PERMITS	REVENUES				
SFR Detached	0101	3	\$1,919,865	\$25,057	4	\$17,960	6	\$33,234	38	\$157,780	20	\$133,030
SFR Attached	0102											
Res Pools	0329	2	\$28,130	\$826	4	\$1,057	2	\$448	38	\$13,668	34	\$10,324
Revisions/Alter/Addit	0434	6	\$104,997	\$3,453	5	\$1,218	16	\$17,564	91	\$62,647	50	\$34,592
Res Walls	0434								2	\$314	1	\$220
Garage/Carport Encl	0438						2	\$1,906	7	\$9,050	5	\$8,243
Misc Residential		53	\$300	\$1,611	63	\$3,482	43	\$1,304	342	\$10,702	368	\$15,301
Model Plans							3	\$6,669	8	\$16,603		
Multi-Family Res.												
Res Demo							1	\$120	5	\$1,198	1	\$137
Subtotal Residential Permits		64	\$2,053,292	\$30,947	76	\$23,717	73	\$61,245	531	\$271,962	479	\$201,847
Condos > 5 units	0105											
Commercial Shell												
Hotels or Motels	0213								1	\$72,658		
Social or Recreation	0318											
Churches, Temples	0319											
IndstPlnts/PublicWks	0320								4	\$2,108		
Pkg/Grgs/Ramada/Maint	0321											
Service Stations/Washes	0322											
Hospitals/Clinics	0323											
Offices/Banks/Proff/Rest	0324								1	\$17,830		
Schools	0326								1	\$120		
Stores	0327	1	\$563,458	\$16,060			1	\$269	1	\$269	1	\$16,060
Commercial Pools	0329										1	\$659
TI's & Comm Reno	0437	7	\$633,720	\$14,418	2	\$3,279	1	\$3,289	22	\$49,022	25	\$55,188
CommAlter/Revisions	0328	4	\$444,119	\$8,302	6	\$19,703	1	\$1,486	19	\$11,886	24	\$59,493
Misc Commercial		3	\$251,741	\$3,687	6	\$2,675	3	\$180	18	\$17,947	23	\$9,166
CommerDemo		1	\$66,666	\$1,259							1	\$1,259
Subtotal Commercial Permits		16	\$1,959,704	\$43,726	14	\$25,657	6	\$5,224	67	\$171,840	75	\$141,825
Signs		11	\$0	\$2,259	11	\$2,161	13	\$2,798	110	\$20,816	90	\$16,956
Total Residential & Commercial Permits		91	\$4,012,996	\$76,932	101	\$51,535	92	\$69,267	708	\$464,618	644	\$360,628
Resid. Impact Fees				\$15,492		\$24,312		\$37,220		\$230,254		\$118,818
Comm. Impact Fees				\$15,531		\$0				\$97,881		\$15,531
Total Dev Imp Fees				\$31,023		\$24,312		\$37,220		\$328,135		\$134,350

* Revenues / Fees represent the total cost of the permits issued, and is not a representation of actual revenues within a given month.

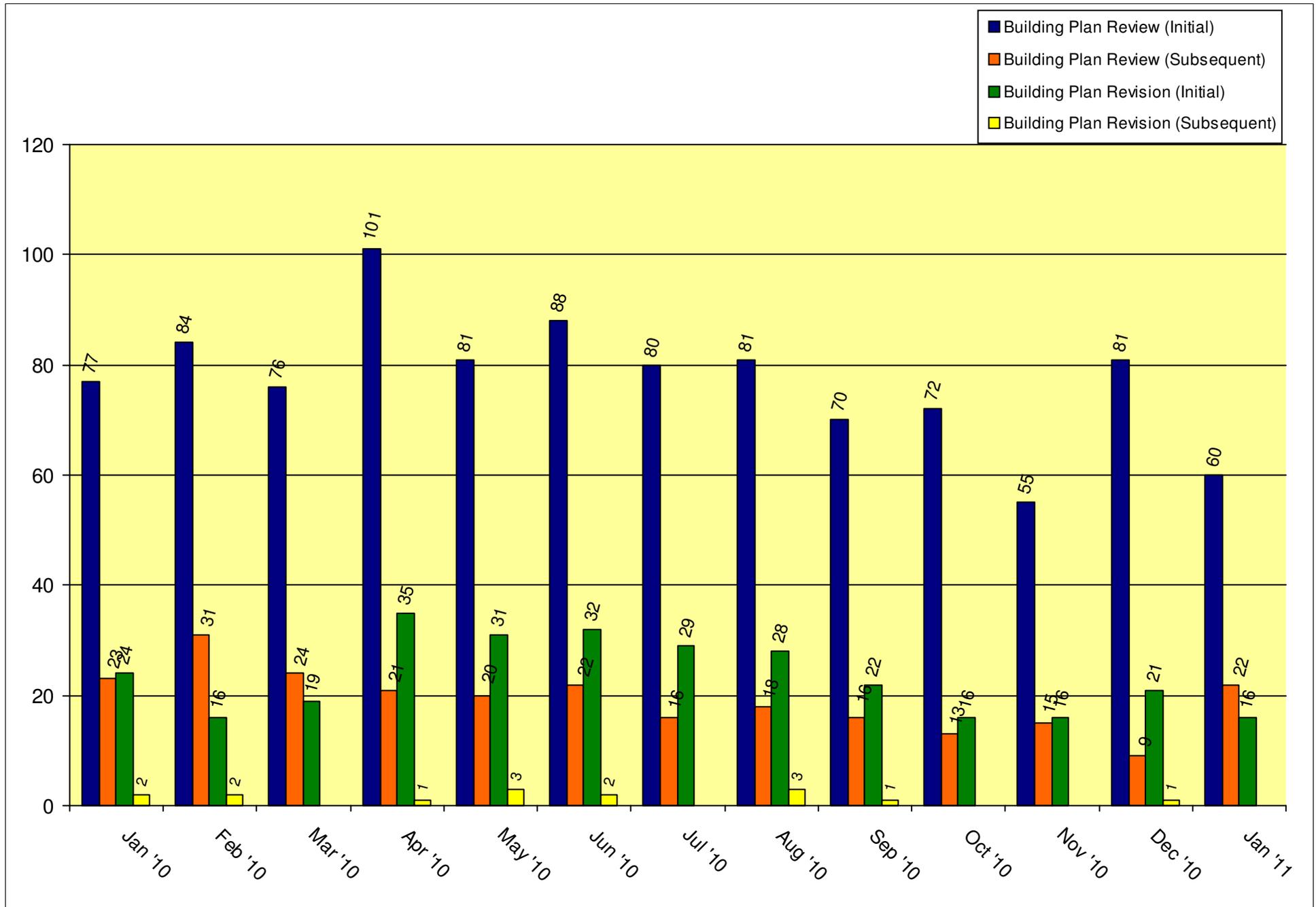
Development Services Customers for January 2010 thru January 2011



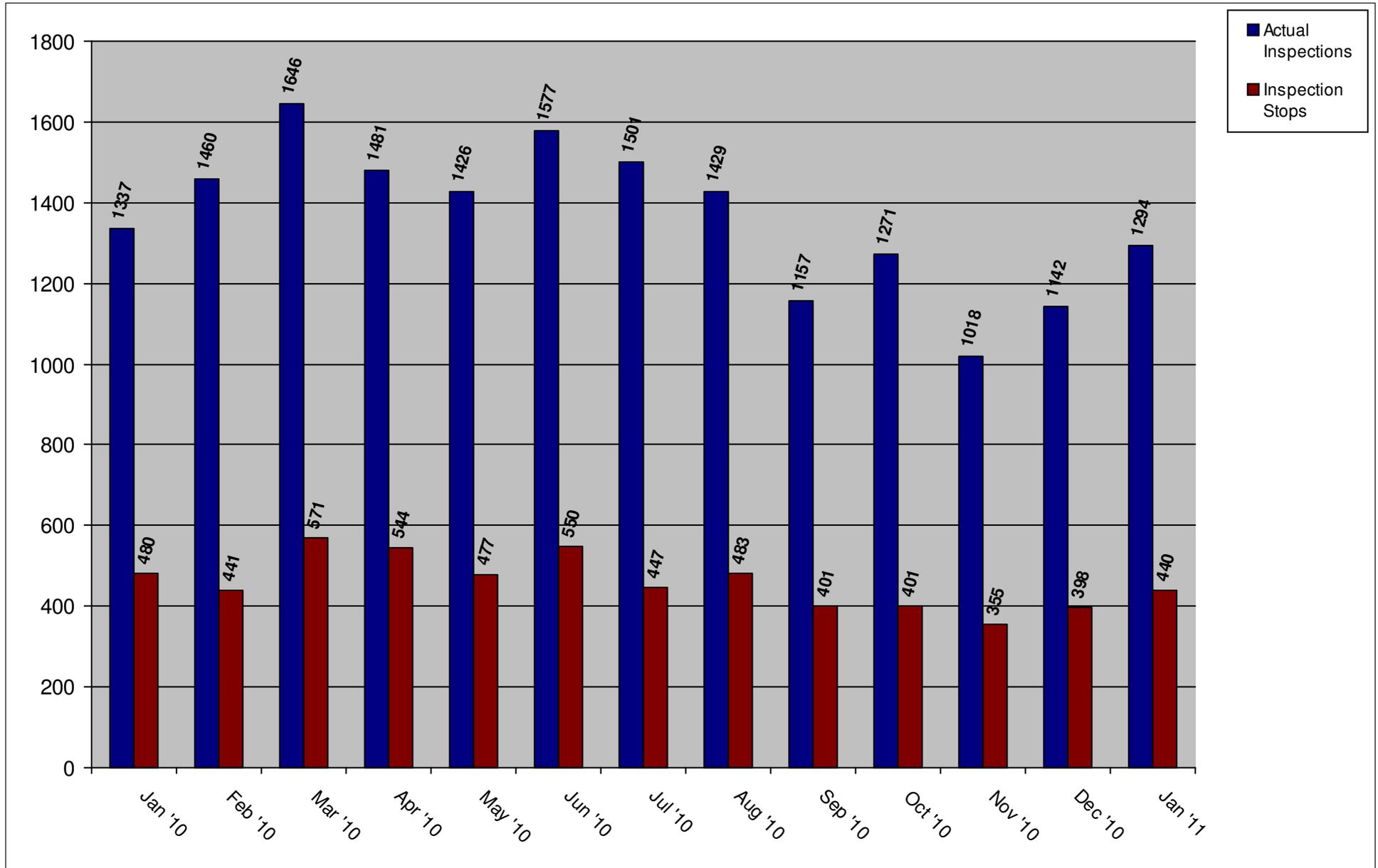
Development Services Permit Activity for January 2010 thru January 2011



Development Services Plan Review Activity for January 2010 thru January 2011

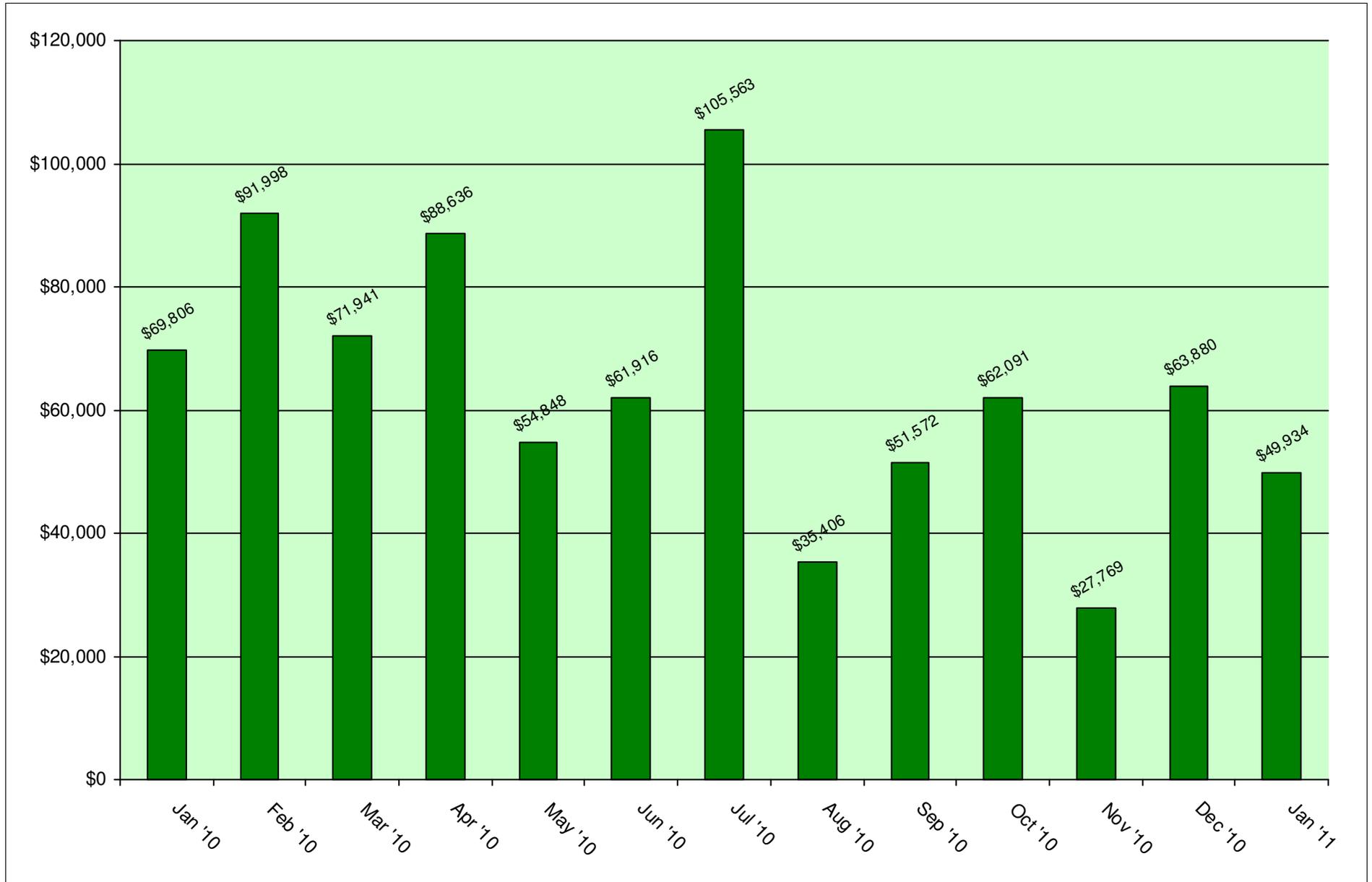


Development Services Inspection Activity for January 2010 thru January 2011



Development Services Revenue for January 2010 thru January 2011

(Does not include Impact Fees, Engineering Fees, Zoning Fees, Books, Copies or APA Deposits)





Town Council Regular Session

Item # C.

Meeting Date: 04/06/2011

Submitted By: Roseanne Flores, Development
Infrastructure Services

SUBJECT:

Development & Infrastructure Services Department Permitting Division - February 2011 Reports

Attachments

Activity Report

Customer Chart

Permit Activity

Plan Review

Inspection Activity

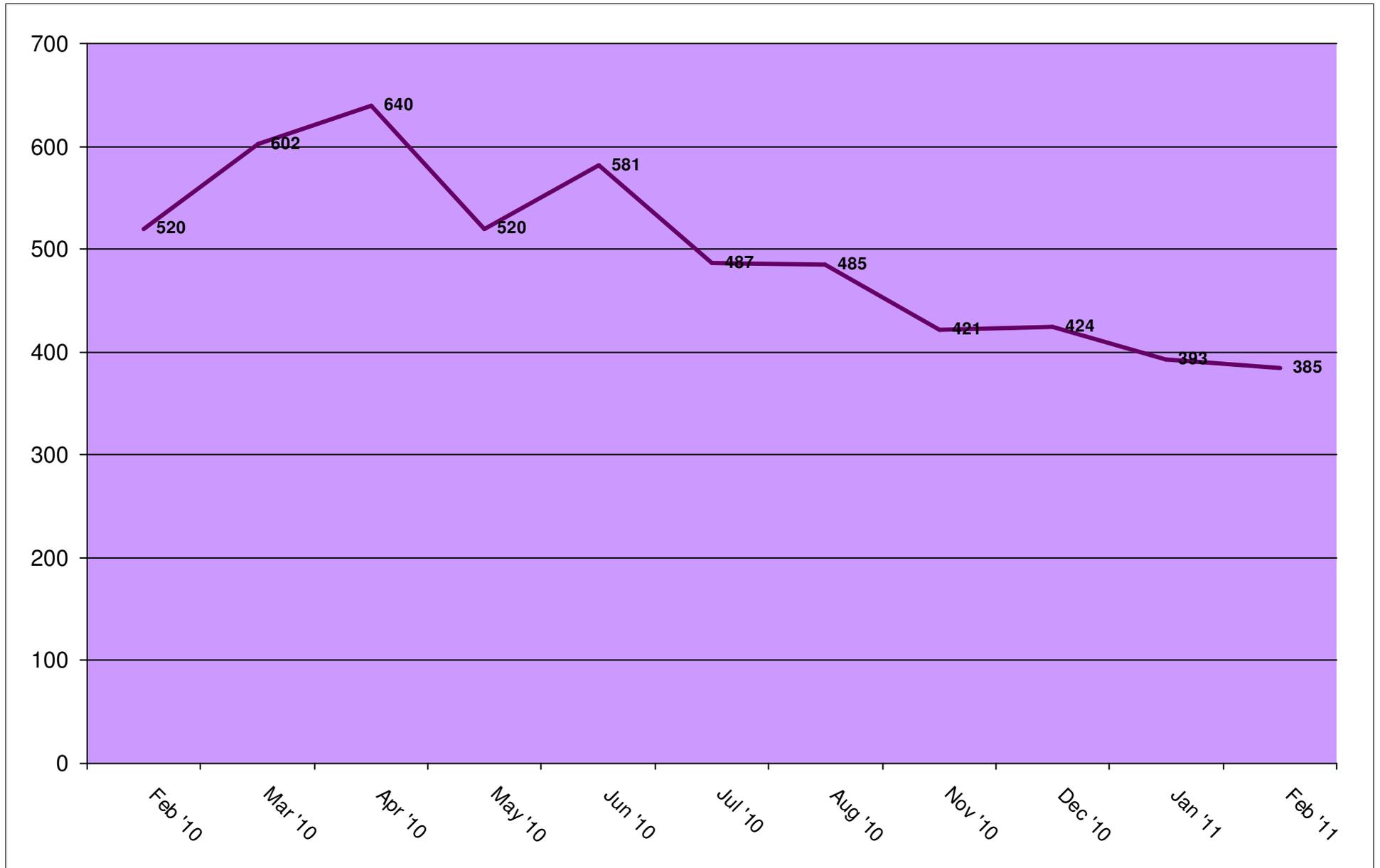
Revenue chart

Development Infrastructure Services Department
Permitting Division
Building Permits Monthly Activity Reports February 2011

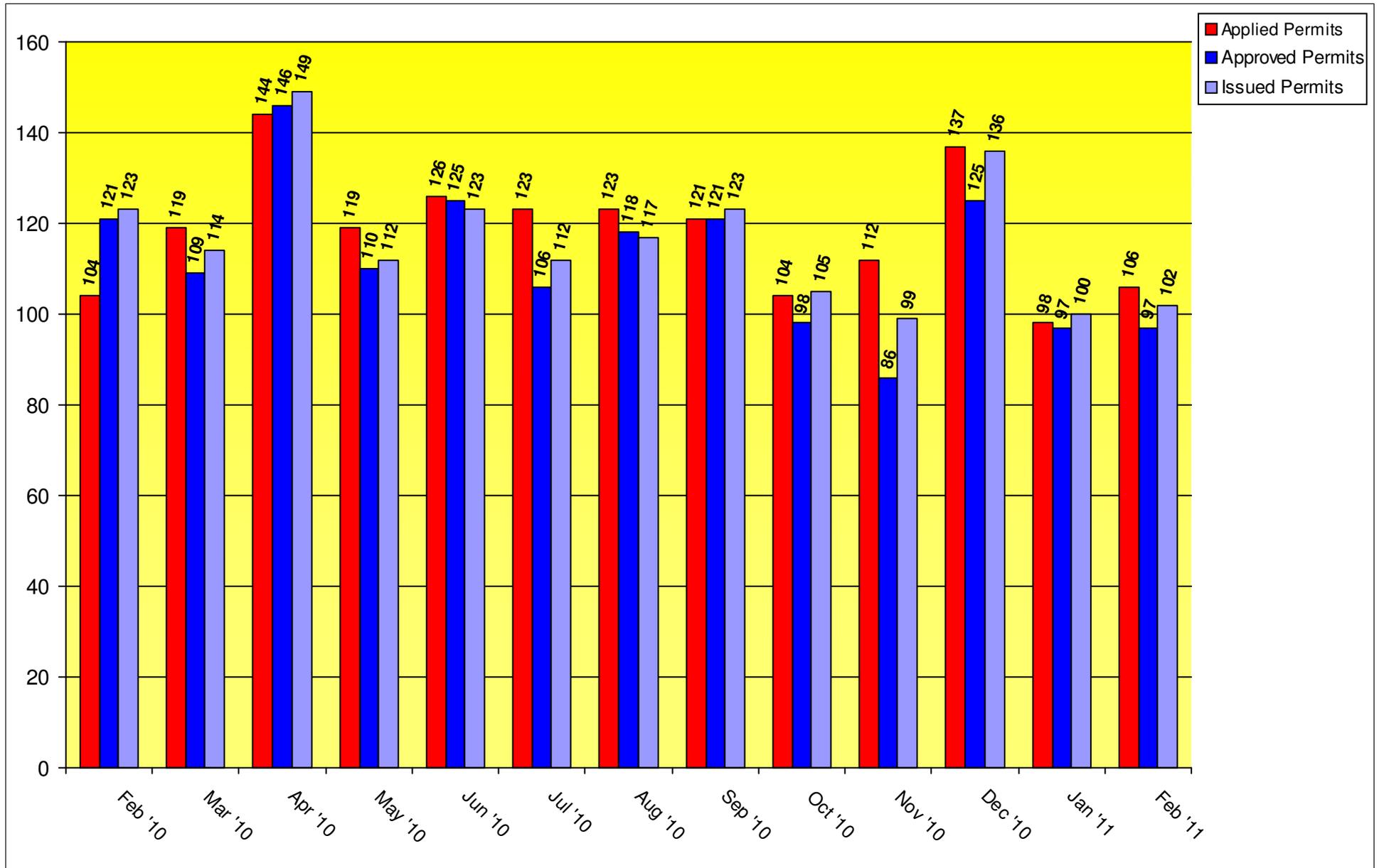
		CURRENT MONTH			PREV MONTH		SAME MONTH ONE YEAR AGO		CUMULATIVE LAST FISCAL YEAR 2009/10		CUMULATIVE THIS FISCAL YEAR 2010/11	
DESCRIPTION	CLASS CODE	February-2011			January-2011		January-2010		PERMITS	REVENUES	PERMITS	REVENUES
		PERMITS	VALUATION	REVENUES	PERMITS	REVENUES	PERMITS	REVENUES				
SFR Detached	0101	2	\$568,650	\$5,510	3	\$25,057	6	\$33,234	48	\$200,743	22	\$138,540
SFR Attached	0102											
Res Pools	0329	6	\$61,632	\$2,025	2	\$826	2	\$448	47	\$15,744	40	\$12,349
Revisions/Alter/Addit	0434	11	\$191,935	\$5,659	6	\$3,453	16	\$17,564	107	\$72,287	61	\$40,251
Res Walls	0434								3	\$798	1	\$220
Garage/Carport Encl	0438	1	\$10,258	\$322			2	\$1,906	9	\$10,180	6	\$8,565
Misc Residential		37	\$0	\$1,155	53	\$1,611	43	\$1,304	392	\$12,710	405	\$16,456
Model Plans							3	\$6,669	10	\$22,072		
Multi-Family Res.												
Res Demo		1	\$12,000	\$449			1	\$120	5	\$1,198	2	\$586
Subtotal Residential Permits		58	\$844,475	\$15,120	64	\$30,947	73	\$61,245	621	\$335,732	537	\$216,967
Condos > 5 units	0105											
Commercial Shell												
Hotels or Motels	0213								1	\$72,658		
Social or Recreation	0318											
Churches, Temples	0319											
IndstPlnts/PublicWks	0320								4	\$2,108		
Pkg/Grgs/Ramada/Maint	0321											
Service Stations/Washes	0322											
Hospitals/Clinics	0323											
Offices/Banks/Proff/Rest	0324								1	\$17,830		
Schools	0326								2	\$25,040		
Stores	0327				1	\$16,060	1	\$269	2	\$19,247	1	\$16,060
Commercial Pools	0329										1	\$659
TI's & Comm Reno	0437	3	\$356,862	\$9,388	7	\$14,418	1	\$3,289	24	\$54,873	28	\$64,576
CommAlter/Revisions	0328	2	\$50,107	\$1,272	4	\$8,302	1	\$1,486	20	\$12,689	26	\$60,765
Misc Commercial		1	\$0	\$36	3	\$3,687	3	\$180	20	\$18,084	24	\$9,202
CommerDemo					1	\$1,259					1	\$1,259
Subtotal Commercial Permits		6	\$406,969	\$10,696	16	\$43,726	6	\$5,224	74	\$222,529	81	\$152,521
Signs		19	\$0	\$4,086	11	\$2,259	13	\$2,798	125	\$21,718	109	\$21,042
Total Residential & Commercial Permits		83	\$1,251,444	\$29,902	91	\$76,932	92	\$69,267	820	\$579,979	727	\$390,530
Resid. Impact Fees				\$12,156		\$15,492		\$37,220		\$291,535		\$130,975
Comm. Impact Fees				\$0		\$15,531				\$156,462		\$15,531
Total Dev Imp Fees				\$12,156		\$31,023		\$37,220		\$447,997		\$146,506

* Revenues / Fees represent the total cost of the permits issued, and is not a representation of actual revenues within a given month.

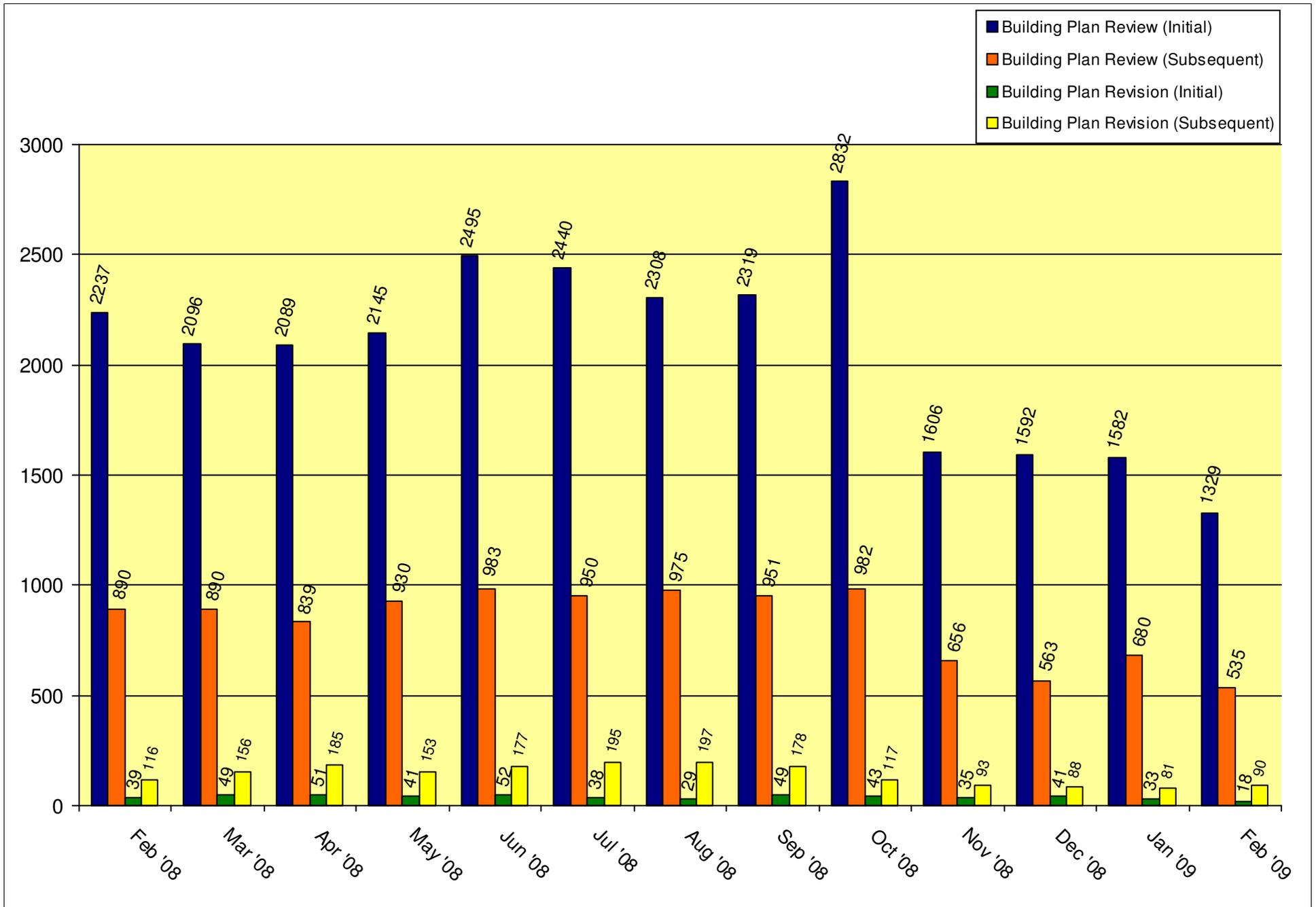
Development Services Customers for February 2010 thru February 2011



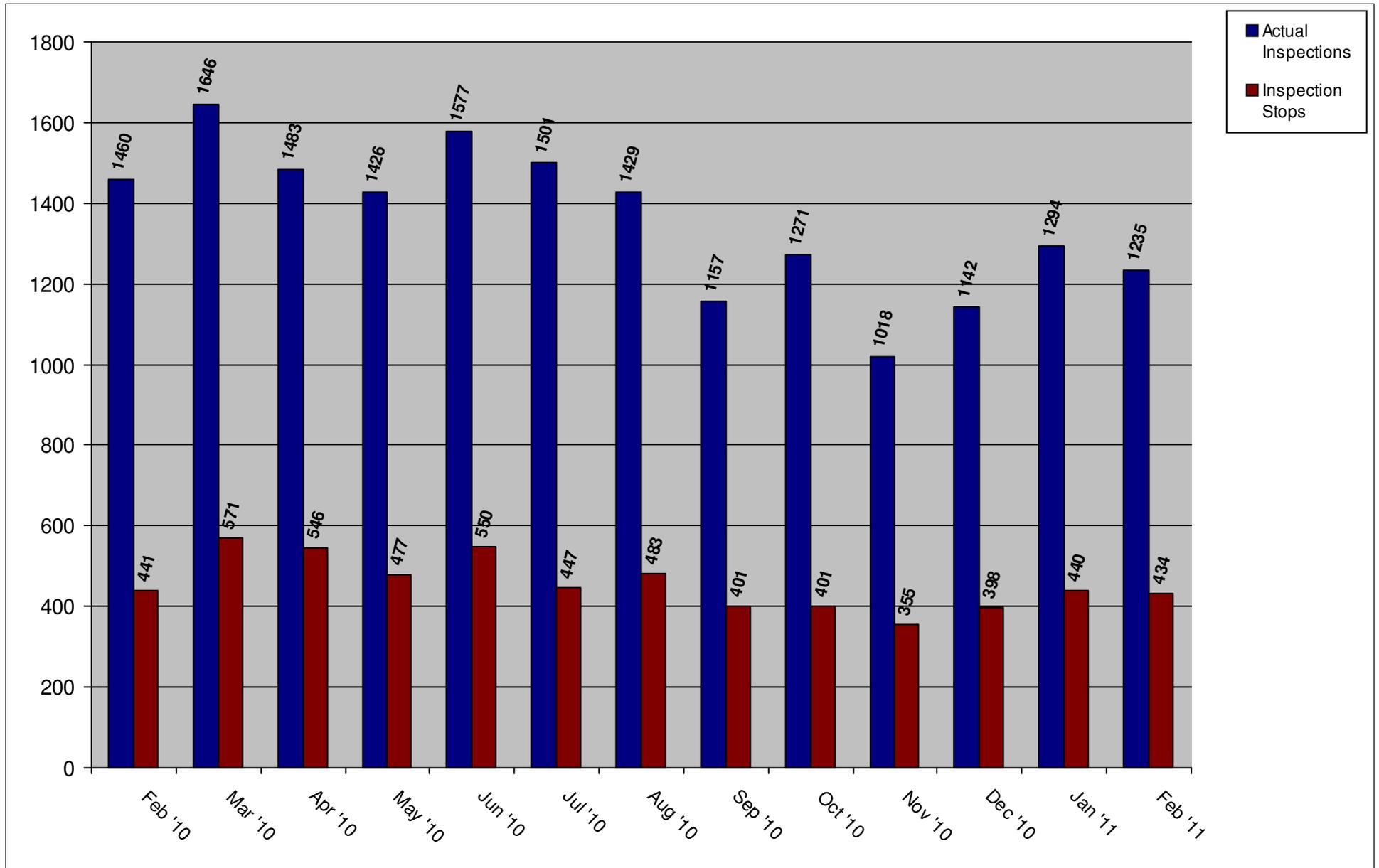
Development Services Permit Activity for February 2010 thru February 2011



Development Services Plan Review Activity for February 2010 thru February 2011

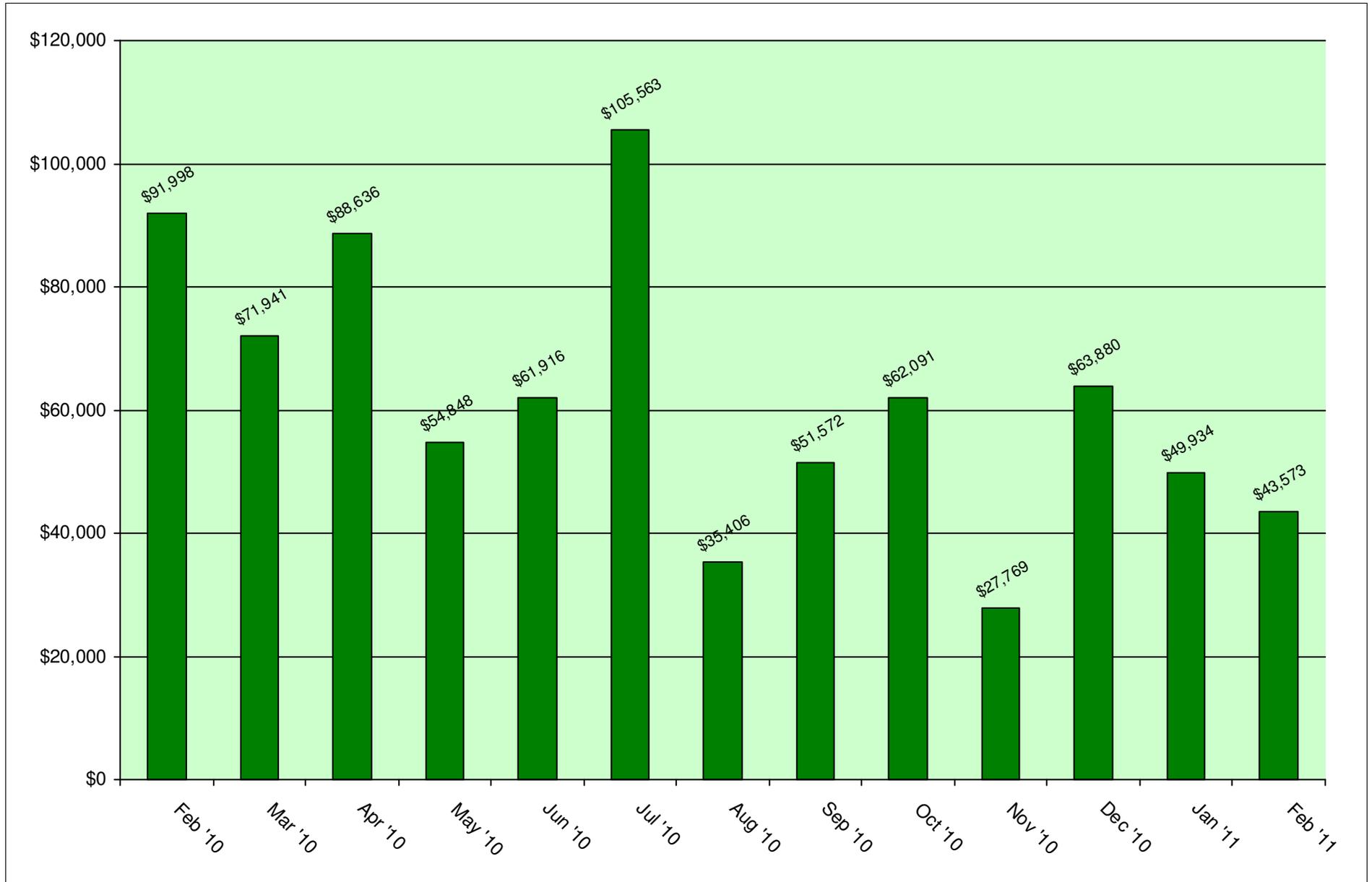


Development Services Inspection Activity for February 2010 thru February 2011



Development Services Revenue for February 2010 thru February 2011

(Does not include Impact Fees, Engineering Fees, Zoning Fees, Books, Copies or APA Deposits)





Item # D.

Town Council Regular Session

Meeting Date: 04/06/2011

Requested by: Aimee Ramsey

Submitted By:

Aimee Ramsey,
Development Infrastructure
Services

SUBJECT:

Transit Division Monthly Report - February 2011

SUMMARY:

DISCUSSION:

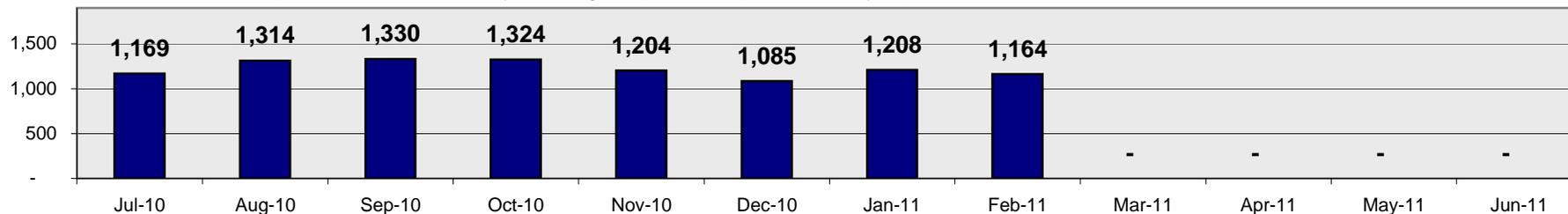
FISCAL IMPACT:

Attachments

February 2011 Monthly Report Transit

Month	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Revenue Hours	584.5	546.5	626.2	631.7	699.7	500.7	523.7	522.0	-	-	-	-
Passengers*	1,169	1,314	1,330	1,324	1,204	1,085	1,208	1,164	-	-	-	-
Pass/Rhour	2.00	2.40	2.12	2.10	1.72	2.17	2.31	2.23	-	-	-	-
YTD Rev. Hours	584.5	1,130.9	1,757.1	2,388.8	3,088.5	3,589.2	4,112.9	4,634.9	-	-	-	-
YTD Passengers	1,169	2,483	3,813	5,137	6,341	7,426	8,634	9,798	-	-	-	-
YTD Pass/RHour	2.00	2.20	2.17	2.15	2.05	2.07	2.10	2.11	-	-	-	-

Passenger Trips* * A trip is defined as a one-way passenger trip. Each trip is a one-way trip.

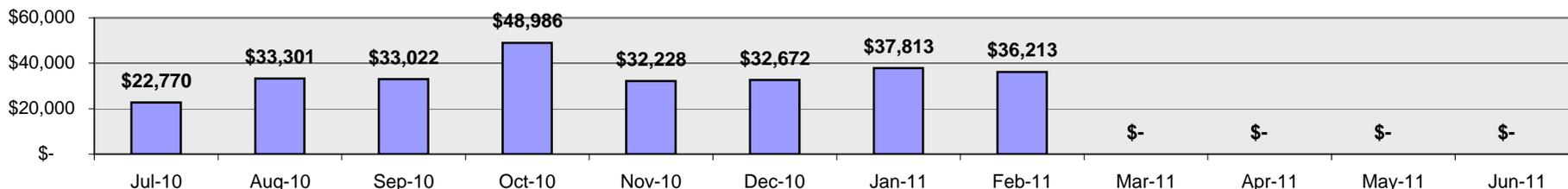


Month	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Oper Expenses	\$ 22,770	\$ 33,301	\$ 33,022	\$ 48,986	\$ 32,228	\$ 32,672	\$ 37,813	\$ 36,213	\$ -	\$ -	\$ -	\$ -
Total Expenses ¹	\$ 35,814	\$ 33,703	\$ 33,022	\$ 48,986	\$ 32,601	\$ 32,672	\$ 37,813	\$131,038	\$ -	\$ -	\$ -	\$ -
YTD TE Expenses	\$ 35,814	\$ 69,517	\$102,539	\$151,525	\$184,126	\$216,798	\$254,611	\$385,649	\$ -	\$ -	\$ -	\$ -
RTA Reimburse								\$ 8,305	\$ -	\$ -	\$ -	\$ -
YTD RTA								\$ 8,305	\$ -	\$ -	\$ -	\$ -
Farebox	\$ 2,524	\$ 5,112	\$ 3,101	\$ 7,080	\$ 3,018	\$ 4,224	\$ 1,584	\$ 6,432	\$ -	\$ -	\$ -	\$ -
YTD Farebox	\$ 2,524	\$ 7,636	\$ 10,737	\$ 17,817	\$ 20,835	\$ 25,059	\$ 26,643	\$ 33,075	\$ -	\$ -	\$ -	\$ -
Volunteer Hours ²	104.0	88.5	61.8	137.2	91.5	60.3	76.5	33.0	-	-	-	-

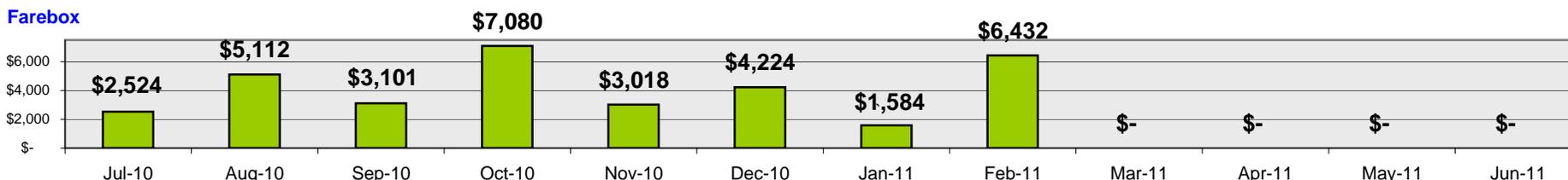
¹ Total Expenses include outside services and other non-operating capital. (Maintenance Estimated)

² YTD 653 Hours ≈ \$10,653

Operating Expenses



Farebox





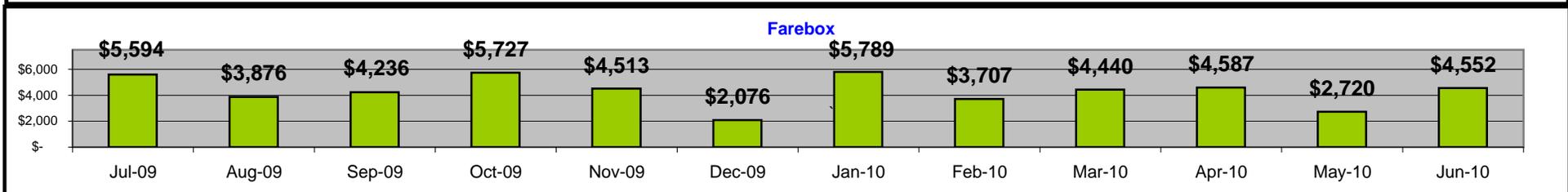
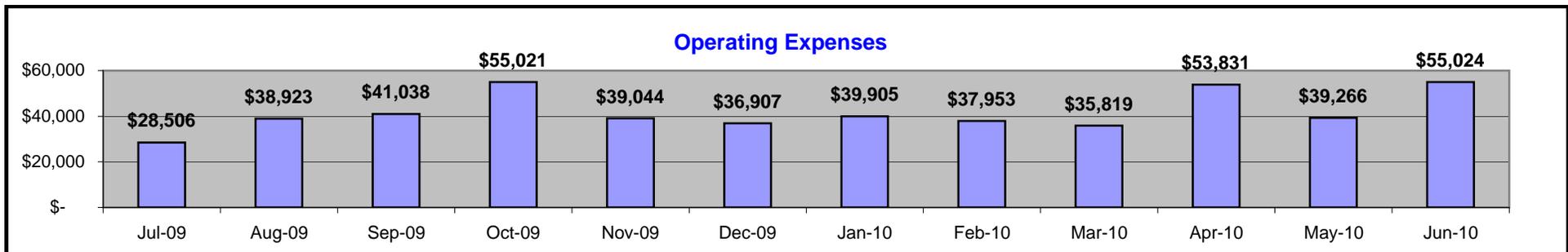
Month	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
Revenue Hours	663.6	695.6	680.9	668.7	609.2	643.0	601.4	561.1	675.4	622.7	582.5	513.9
Passengers*	1,405	1,352	1,372	1,407	1,226	1,349	1,271	1,177	1,365	1,259	1,183	1,162
Pass/Rhour	2.12	1.94	2.01	2.10	2.01	2.10	2.11	2.10	2.02	2.02	2.03	2.26
YTD Rev. Hours	663.6	1,359.2	2,040.2	2,708.9	3,318.0	3,961.0	4,562.4	5,123.6	5,798.9	6,421.6	7,004.1	7,518.0
YTD Passengers	1,405	2,757	4,129	5,536	6,762	8,111	9,382	10,559	11,924	13,183	14,366	15,528
YTD Pass/RHour	2.12	2.03	2.02	2.04	2.04	2.05	2.06	2.06	2.06	2.05	2.05	2.07



Month	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
Oper Expenses	\$ 28,506	\$ 38,923	\$ 41,038	\$ 55,021	\$ 39,044	\$ 36,907	\$ 39,905	\$ 37,953	\$ 35,819	\$ 53,831	\$ 39,266	\$ 55,024
Total Expenses ¹	\$ 28,999	\$ 39,452	\$ 41,226	\$ 55,167	\$ 39,426	\$ 40,609	\$ 39,961	\$ 38,013	\$ 35,869	\$ 53,855	\$ 39,291	\$ 68,112
YTD TExpenses	\$ 28,999	\$ 68,451	\$ 109,676	\$ 164,844	\$ 204,270	\$ 244,879	\$ 284,840	\$ 322,853	\$ 358,722	\$ 412,578	\$ 451,868	\$ 519,980
Farebox	\$ 5,594	\$ 3,876	\$ 4,236	\$ 5,727	\$ 4,513	\$ 2,076	\$ 5,789	\$ 3,707	\$ 4,440	\$ 4,587	\$ 2,720	\$ 4,552
YTD Farebox	\$ 5,594	\$ 9,470	\$ 13,706	\$ 19,433	\$ 23,946	\$ 26,022	\$ 31,811	\$ 35,518	\$ 39,958	\$ 44,545	\$ 47,265	\$ 51,817
Volunteer Hours ²	90.5	107.8	63.5	75.5	40.0	49.9	67.0	48.5	84.8	77.3	96.0	63.5

¹ Total Expenses include outside services such as the RTA Park and Ride costs and other non-operating capital.

² YTD 864.17 Hours ≈ \$14,103





Town Council Regular Session

Item # E.

Meeting Date: 04/06/2011

Requested by: Philip Saletta

Submitted By:

Philip Saletta, Water

Department: Water

SUBJECT:

Consideration of acceptance of the Oro Valley Water Utility Commission Annual Report dated April, 2011

RECOMMENDATION:

The Water Utility Commission reviewed and approved the report at their March 14, 2011 meeting and unanimously made a recommendation to Council to accept the report. Water Utility staff also respectfully recommends Town Council acceptance.

EXECUTIVE SUMMARY:

Pursuant to Oro Valley Town Code Article 15-4-5, the Water Utility Commission is to render an annual report to the Town Council. Attached is a copy of the DRAFT Water Utility Commission Annual Report dated April, 2011 for your review and consideration of acceptance. An electronic copy of the Annual Report will be available to Council on or before Monday, March 28, 2011.

This report is the Commission's fifteenth annual report. The Annual Report includes information on the activities and accomplishments of the Water Utility and identifies issues facing the Town in FY 2010-11 and beyond.

BACKGROUND OR DETAILED INFORMATION:

The Annual Report includes information regarding:

- Water Quality - Tenth year in a row with no violations - Prepared Consumer Confidence Report
- Water Conservation Program - Water Audits conducted for 178 customers in 2010
- Bond Defeasance
- Long-Term Storage Accounts
- Worked regionally with the Northwest Water Providers and Tucson Water
- Delivered 2.3 billion gallons of potable water and 642 million gallons of reclaimed water
- Responded to 37,430 customer contacts

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

I MOVE to (accept, deny) the Water Utility Commission Annual Report dated April, 2011.

Attachments

WUC DRAFT Annual Report

**TOWN OF ORO VALLEY
WATER UTILITY COMMISSION
ANNUAL REPORT 2011**

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**TOWN OF ORO VALLEY
WATER UTILITY COMMISSION
ANNUAL REPORT 2011**

ORO VALLEY TOWN COUNCIL

Satish I. Hiremath, D.D.S., Mayor
Mary Snider, Vice Mayor
William Garner, Councilmember
Barry Gillaspie, Councilmember
Joe Hornat, Councilmember
Steve Solomon, Councilmember
Lou Waters, Councilmember

ORO VALLEY WATER UTILITY COMMISSION

Dave Powell, Chair
Rick Davis, Vice Chair
John Hoffmann, Commissioner
Robert Milkey, Commissioner
Rick Reynolds, Commissioner
Elizabeth Shapiro, Commissioner
Winston Tustison, Commissioner

TOWN STAFF

Jerene Watson, Town Manager
Greg Caton, Assistant Town Manager
Philip C. Saletta, P.E., Water Utility Director
David Ruiz, Engineering Division Manager
Shirley Seng, Water Utility Administrator

Special recognition to OVWU staff that provided graphics, data, photos and, most of all, their time to assist in the preparation of this report:

Karn Boyce
Jeff Kane
Mark Moore

Iris L. Chaparro
George Kendrick
Carolyn Schneider

Robert Jacklitch
Mary C. Kobida
Charles Soper

ABOUT THE WATER UTILITY COMMISSION

The Town of Oro Valley Water Utility Commission is a seven member commission that is appointed by the Town Council. The Commission meets the second Monday of each month to discuss and review matters pertaining to the Water Utility. The Commission serves in an advisory capacity to Council making recommendations on water policies, water rates and fees, renewable water supplies and water conservation.

In 2010, the Commission met 11 times to conduct business. All meeting agendas were noticed in accordance with statutory requirements through the Town Clerk's Office and on the Town website. The meetings were broadcast over the internet through the Granicus System. Meeting minutes were taken and then published after final approval by the Commission.

In addition to the regular Commission meetings, there were several meetings conducted by the three Subcommittees. The three Subcommittees include the Finance Subcommittee, the Water Conservation Subcommittee and the Renewable Water Resources Subcommittee.

Some specific actions by the Water Utility Commission and recommendations to Council for 2010 include the following:

- Election of Officers
- Review of Water Utility Commission Agendas
- Recommendation for acceptance of the Annual Report
- Recommendation to support the Series 2001 Bond Defeasance
- Recommendation to approve an application for a WIFA Grant
- Recommendation to approve the time extension for the Reclaimed Water IGA
- Recommendation to approve Water CASA Articles of Incorporation
- Recommendation on Water Rates and Fees
- Recommendation to approve the CAP Reliability Agreement
- Review and approval of Meeting Minutes
- Completed annual training requirements and attended various field tours

There are numerous issues that will be addressed as we move forward in 2011. Some of the major issues include:

- Planning and implementation for short-term interim delivery of CAP water through Tucson Water
- Comprehensive planning for long-term CAP water delivery
- Review of Cash Reserves policy
- Review of water rates and developing a Preferred Financial Scenario

The Water Utility Commission welcomes our customers, citizens and public to attend its meetings.

WATER UTILITY COMMISSION 2011



**Dave Powell, Chair
At-Large
Renewable Water Subcommittee Member**



**Richard Davis, Vice Chair
At-Large
Conservation Subcommittee Chair**



**John Hoffmann, Commissioner
Residential (Town)
Renewable Water Subcommittee Chair**



**Robert Milkey, Commissioner
At-Large
Conservation Subcommittee Member**

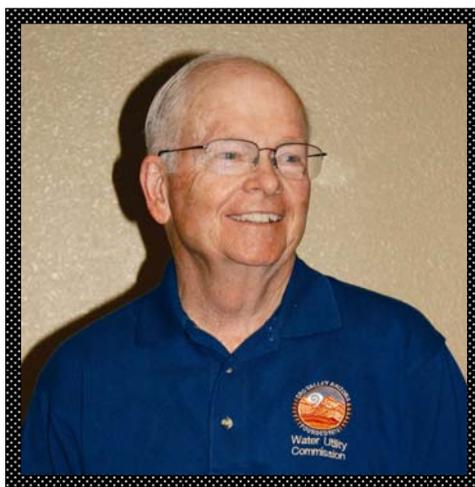
WATER UTILITY COMMISSION 2011



**Rick Reynolds, Commissioner
Commercial/Turf Representative
Renewable Water Subcommittee**



**Elizabeth Shapiro, Commissioner
Residential (Countryside)
Finance Subcommittee Member**



**Winston Tustison, Commissioner
Residential (Town)
Finance Subcommittee Chair**

EXECUTIVE SUMMARY

TOWN OF ORO VALLEY WATER UTILITY COMMISSION ANNUAL REPORT APRIL 2011

In October 1996 the Oro Valley Town Council (Mayor and Council) formed the Oro Valley Water Utility Commission (Commission) to act as the official advisory body to the Mayor and Council regarding water related issues. The Commission is required to prepare an annual report to the Mayor and Council each year. This report is the Commission's fifteenth Annual Report. It includes topics on customer service, water quality, water supply, water resource planning, conservation, and capital improvements. This report covers information and activities for fiscal year (FY) ending June 30, 2010 and calendar year (CY) 2010.

The Executive Summary contains a briefing on several of the Utility's significant operations during this past year as well as projects specific to water issues facing the Town of Oro Valley (Town) in the future. More detailed information may be found in specific sections of this report and the appendices.

CUSTOMER SERVICE

The Town of Oro Valley Water Utility (Water Utility or Utility) has 18,474 customer connections serving a population of approximately 48,919. This includes both the customers within the Town boundaries and the Countryside area. During CY 2010, 73 new meter connections were installed and approximately 2.36 billion gallons (7,240 acre-feet) of potable water was delivered to our customers. In addition, approximately 637 million gallons (1,957 acre-feet) of reclaimed water was delivered for golf course irrigation.

WATER QUALITY

For the eighth consecutive year, the Utility is proud to report that it did not experience any water quality violations for Total Coliform bacteria. The number of tests performed in CY 2010 was 5,891 and our water quality was in compliance with all standards established by Federal and State agencies. In addition to testing for water quality, The Water Utility administers a backflow prevention program to protect our water system from potential contamination. Oro Valley has excellent source water quality. Our Staff's diligent operation and monitoring of the water system is critical to providing a safe and reliable water supply for our customers.

CURRENT WATER SUPPLY

Oro Valley currently delivers water from two sources of supply. Groundwater is pumped from wells in the aquifer below the Town and delivered through the potable water distribution system.

Reclaimed water is used for irrigation and delivered through a separate reclaimed water distribution system. In addition, Oro Valley has an allocation of Central Arizona Project (CAP) water that is used indirectly through groundwater storage credits.

Continuation of a long-term drought persists. Both the drought and the continued pumping of groundwater have caused groundwater levels to decline, which in turn reduced the production capacity of the existing system. Operation of the Reclaimed Water System has slowed the groundwater decline, thus conserving, preserving and protecting our aquifer and our groundwater supply. The use of reclaimed water is a significant accomplishment, but it is not the only renewable source of supply available to assure a sustained reliable water supply. The Utility will continue its water resource planning efforts to meet existing and future demands through the development of its CAP water allocation. Plans for the development and direct use of our CAP water allocation are being developed cooperatively by the Northwest Water Providers which includes Marana, Metro Water, Flowing Wells, and Oro Valley. In addition, there have been recent discussions regarding the delivery of our CAP water through the Tucson Water system to Oro Valley on a short-term interim basis.

In CY 2010 approximately 7,680 acre-feet of groundwater was pumped from the aquifer. Well water levels declined an average of 2.94 feet in the Oro Valley Water Service Area and declined 4.08 feet in the Countryside Water Service Area in the last year.

The Utility continues to use its CAP water through an agreement with Kai Farms and through permits to store in Central Arizona Water Conservation District (CAWCD) recharge projects. This allows the Utility to obtain long-term groundwater storage credits within the Tucson Active Management Area. Participation in the Lower Santa Cruz River Managed In-Channel Recharge Project also provides the Utility with long term storage credits from unused wastewater effluent. The use of our existing groundwater allowance account and long-term storage credits reduces our monetary payments to the Central Arizona Groundwater Replenishment District (CAGR) for groundwater replenishment requirements. The Water Utility continues to plan for the direct delivery and treatment of its CAP water.

RECLAIMED WATER SYSTEM

The Town of Oro Valley delivers reclaimed water for irrigation to five existing golf courses and to Painted Sky Elementary School athletic fields. In 2010 these five golf courses and Painted Sky Elementary School used approximately 637 million gallons or 1,957 acre-feet of reclaimed water for irrigation purposes. This resulted in a reduction of approximately 20% in the amount of groundwater pumped from the aquifer.

WATER CONSERVATION

The Water Conservation Program continues to be a vital asset in assisting the Utility to achieve its overall water management goals. During the past year, the primary focus of the conservation program continued to be on residential water use audits. In 2010, 178 audits were performed. Since the program's inception in 2003, participating customers received over 1,400 free water audits, which saved our customers both water and money.

The Utility encourages water conservation by educating our customers. Water use audits, which save our customers money and reduce the demands on our system, are a key component of the Water Conservation Program.

Stage 1-Drought Conditions were in place for 2010 and continue to remain in place. This condition calls for voluntary restrictions under the Town's Drought Preparedness Plan. Oro Valley Water Utility also participated regionally with other water providers through membership in the Water Conservation Alliance of Southern Arizona (Water CASA)

WATER RATES AND IMPACT FEES

The functions and duties of the Water Utility Commission and Staff include reviewing and developing recommendations for water revenue requirements, water rates and fee structures. In 2010, recommendations regarding water rates, fees and charges were provided in the Water Rates Analysis Report. The Town Council approved an increase in the Groundwater Preservation Fee (GPF) and other fees and charges on November 17, 2010 by Resolution (R) 10-82. The GPF increase will go into effect on October 1, 2011.

CONCLUSION

The Oro Valley Water Utility Commission is proud to serve the Mayor and Council of the Town of Oro Valley and its residents and customers. We are pleased to present this Annual Report to the Mayor and Council for their consideration. While much has been accomplished in the past year, the Water Utility Commission and Staff look forward to direction regarding those items detailed in the Report. We thank the Mayor and Council for their consideration, direction and guidance.

Any questions regarding this report should be directed to Philip Saletta, Director, Oro Valley Water Utility at 229-5010. Additional information for the Oro Valley Water Utility can also be found on the Town website at www.ovalleyaz.gov/WaterUtility

INTRODUCTION

The Oro Valley Water Utility has completed its fifteenth year of operation. During this time, the Utility has achieved a number of significant goals. The Utility installed 73 new water connections in CY 2010, a 0.39% growth rate, for a total of 18,474 water connections. We continue to operate under the Intergovernmental Agreement with Tucson Water regarding the delivery of reclaimed water to the Thornydale Pump Station. The Utility has also implemented several programs including system-wide continuous disinfection, water conservation, and security. The Utility's infrastructure has grown to meet existing and growing demands with the addition of approximately 0.5 miles of potable water mains.

The Utility continues to be fiscally sound. Water development impact fees, which fund expansion of the water delivery system, have been collected to ensure that growth pays its fair share. Water rate increases have been approved over the years to avoid rate shock to our customers. An increase in the Groundwater Preservation Fee will pay for renewable water supplies that will reduce existing demands on our aquifer. The Utility received a low interest rate loan from the Arizona Water Infrastructure Authority and has decreased its debt over the last several years.

The following are some of the Utility's resources and assets as of December 31, 2010:

Resources:

Employees:	35
Groundwater Supply (Assured Water Supply):	13,384 Acre-feet per year
Reclaimed Water:	2,500 Acre-feet per year
Effluent Water:	1,500 Acre-feet per year
CAP Water:	10,305 Acre-feet per year
Long Term Storage Credits:	14,754 Acre-feet
Groundwater Allowance Account:	14,109 Acre-feet

Assets:

Water Service Areas: Oro Valley Water Service Area and Countryside Water Service Area

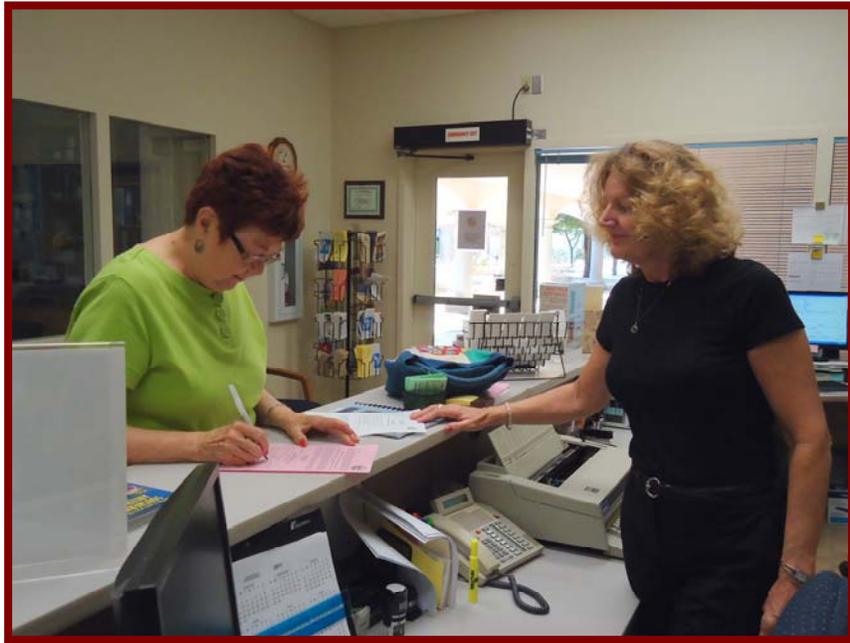
Water Distribution Storage Reservoirs:	18
Potable Water Reservoir Capacity:	8,700,000 gallons
Reclaimed Water Reservoir Capacity:	1,500,000 gallons
Water Mains:	355.23 miles
Potable Water Booster Stations	27
Reclaimed Water Booster Stations:	1
Operating Wells:	21
Well Pumping Capacity:	11,770 gallons per minute (gpm)

The Utility continues to plan for future water supply both for existing customers and new growth. This is demonstrated by the cooperative regional planning for the delivery and treatment of CAP water. This cooperative effort is with our neighboring water providers: Metro Water, Town of Marana and Flowing Wells.

CUSTOMER SERVICE

Customer Service personnel include Customer Service Representatives (CSRs) and Utility Operators. This staff is responsible for meter reading, billing and collection for 18,474 customer connections serving approximately 48,919 people. The Utility has grown over the past year and in 2010 an additional 73 meters were installed for a growth rate of 0.39%. Over 4,794 customer accounts were changed in 2010, primarily due to opening and closing of accounts for new move-ins and winter residents. The Utility delivered 2.36 billion gallons (7,240 AF) of potable water to our customers in 2010 and over 637 million gallons (1,957 AF) of reclaimed water for irrigation to five golf courses and a school playground. This totals 3 billion gallons (9,197 AF) of water delivered and billed to our customers.

The Customer Service Division mailed and processed 220,098 bills and 15,600 delinquent notices to our customers during calendar year 2010. The Customer Service Division responds to customer concerns that arise from the operation and management of the water system and in 2010 responded to 33,323 customer contacts and inquiries, averaging 134 per day.



Customer Service

Customer contacts can range from handling a payment to responding to questions or problems related to billing, opening or closing an account, water quality or pressure and flow problems. CSRs work closely with field personnel to respond in a timely manner to customer concerns. CSRs are generally the first and sometimes the only contact our customers may have with the Utility. Their training and skills are utilized on a daily basis while addressing customer concerns. Ongoing training provided to CSRs include: stress management, dealing with difficult people, utility billing software and security. Staying abreast of new information is a key element to consistently improving customer service as well as providing for the mental and physical well being of Utility employees.

The Customer Service Supervisor prepares information regarding water usage for the Annual Water Withdrawal and Use Report that is submitted to the Arizona Department of Water Resources (ADWR). This report is for the calendar year and is required under the State Groundwater Code. This report accounts for water use as part of the Assured Water Supply Program and assists with determining the obligation due to the Central Arizona Groundwater Replenishment District. The CY 2010 Report is reviewed internally and then submitted to the ADWR by March 31st of 2011.

Customer Service staff collects and posts payments for the Water Utility, Pima County Regional Wastewater Reclamation Department and the Town's Storm Water Utility. A fee is charged to Pima County and the Town for this service. The Customer Service Division bills the Town Storm Water Utility charges to residents within the Town that are Oro Valley Water customers, Tucson Water customers and Metro Water customers. The Water Utility also collects taxes on water use that are imposed by the State of Arizona and the Town of Oro Valley. These taxes are then distributed to the State and Town.

The Utility continually updates customer account information on the Water on the Web (WOW) site. This includes current billing and payment information as well as a two year history of water usage. The Customer Service Division expanded this site in 2009. Customers have the ability to pay their water bill with credit cards and view their current water bill online. This option helps to facilitate payment of water bills. In addition, to enhance customer service and to assist in decreasing costs, the Utility has gone "green" by adding an e-bill or paperless option. This feature sends customers electronic notification that their current water bill is ready to view on the Water on the Web site. Utility customers may request e-billing online. To date, 417 customers have selected this "green" option.

The Utility currently offers an automatic payment program through an Automated Clearing House (ACH) in which the amount of the customer's water bill is automatically deducted from their checking or savings account. There are currently 4,697 customers enrolled in this program. For those customers who pay their water bills online through their bank, the Utility implemented electronic or "paperless" bank to bank transfer of payment funds. In addition, the Utility established a toll free telephone number that accepts customer credit card payments through an Interactive Voice Response System (IVR). The Utility received 8,309 credit card payments in 2010. The successful implementation of this service has provided an alternative payment method particularly for those customers with delinquent accounts and those customers who frequently travel.

Over the past year, the Customer Service Division has received numerous complimentary letters regarding their personal and helpful customer assistance. This level of professional and courteous services is paramount to the successful operation of the Water Utility.

Utility statistics including new meter installations, customer contacts, and water deliveries for CY 2010 may be found in **Appendix A**.

METERS DIVISION

All personnel in the Meters Division are licensed operators. During 2010 they conducted 220,098 meter readings and responded to 2,813 customer requests in the field. These include checking meter accuracy, meter replacement, water pressure and leaks. Staff works closely with the builders and contractors of Oro Valley to ensure that water meters are installed on a timely basis.

Since the implementation of a Meter Replacement Program in July of 2008, the meters division has replaced over 1,100 water meters varying in sizes from 5/8-inch to 6-inch. This program will provide for more accurate measurements of water usage and also assure that the amount billed is accurate. In addition, meter replacement is one of the Best Management Practices approved by the ADWR to meet water conservation requirements.

In March of 2009, the meters division began installing Automated Meter Reading (AMR) equipment. AMR equipment consists of encoder registers that attach to water meters and emit radio waves. As the meter route is driven, the computer receives the radio waves and stores the data until it is downloaded to the billing software. Meter reading is virtually error-free when using this technology. When readings cannot be obtained due to damage, vandalism or tampering, the error condition will be indicated at the time of reading. High or low customer usage patterns can also be verified at the time of the reading. Since the implementation of AMR, the meters division has installed 474 AMR equipped meters. The focus for installation of this equipment has been in residential areas that are labor intensive to read and commercial areas because of the high flow of traffic which can be a safety issue.

The meters division has begun installing iPERL water meters for 5/8-inch meter replacements and new meter installations. The iPERL is a state of the art meter providing an innovative concept in water metering. The iPERL meter innovates measurement technology with unparalleled low flow accuracy and high flow durability.

With no moving parts, the iPERL system requires minimal maintenance resulting in lower life-cycle costs. The iPERL meters register water flow as low as 1/10 of a gallon thus measuring water that had previously passed through the system undetected. i-PERL meters also provide the ability to data log up to one month of water consumption allowing staff to pin point the date and time of the customer's water use resulting in improved customer service with detailed and accurate information.



Meter Reading

The Meters Division also implemented a Meter Testing Program in 2009. This program includes testing all water meters 3-inches and larger on a quarterly basis. It is important to be vigilant on larger meters to minimize the loss of revenue due to under reporting of significant flows through the larger meters. Additionally, utility staff tests commercial meters on an annual basis and when necessary replaces them with a newer technology meter that allows testing to be performed without interruption of water service.

WATER QUALITY

There is a complex and extensive framework of regulatory requirements and sampling methodology in place to ensure clean, safe drinking water is served by every public water system in Arizona. Protection of drinking water quality starts with an assessment of the drinking water source quality and continues through regulations that govern water system design and construction. Finally, drinking water quality is assured through scheduled tests required of all public water systems for a wide variety of potential contaminants. As a result of these regulations and continued testing, drinking water supplies in Oro Valley and in many areas throughout the United States are among the cleanest and safest in the world.



Water Quality Testing

The Water Utility operates two potable water systems. The Oro Valley Water Service Area (OVWSA) that has a Public Water System Number of AZ0410164. It also operates a potable system that is not located within the Town boundaries, known as the Countryside Water Service Area (CSWSA) that has a Public Water System Number of AZ0410175.

Over the course of a year the Utility collects hundreds of water samples from approximately 19 “point of entry” sites. These sites include groundwater wells, reservoirs and pumping stations. The Utility also samples from 58 “sampling stations” located in neighborhoods throughout the water distribution system specifically selected to represent the water quality that is delivered to our customers. Water samples are taken from 50 private residences within the Oro Valley area and tested for lead and copper. The Utility provides all water quality testing results to the Arizona Department of Environmental Quality (ADEQ) and works closely with that agency to ensure all federal and state standards are met.

The Utility's State certified water operators are legally responsible for the health and safety of our customers. The operators meet this responsibility by maintaining a daily vigilance over the system's production, distribution, and water quality. All of our water operators are licensed and attend continuing education and training through Personal Development Hours required by ADEQ. This also benefits our community and adds value to the Water Utility. Additionally, comprehensive emergency plans have been developed to ensure an immediate response to any adverse water situation. The Town's water system is in full compliance with all State and Federal regulations.

In 2010 the Utility received 5,891 analytical results for required water sampling and operational data. Please refer to **Appendix B** for the Environmental Protection Agency's required contaminant monitoring list and the Utility's most recent analysis.

Drinking water standards are regulations that the Environmental Protection Agency (EPA) sets to control the level of contaminants in the nation's drinking water. These standards are part of the Safe Drinking Water Act's "multiple barrier" approach to drinking water protection which includes, assessing and protecting drinking water sources; protecting wells and collection systems; making sure water is treated by qualified operators; ensuring the integrity of distribution systems; and making information available to the public on the quality of their drinking water. Community water suppliers throughout the country are required to provide an annual water quality report to their customers. The report provides information about the source of the drinking water, and any contaminants detected in the water. The OVWSA and the CSWSA Consumer Confidence Reports are annually distributed to all customers in June. The Report is also available in the Utility's office and on the website.

There are two categories of drinking water standards. A National Primary Drinking Water Regulation or (primary standard) is a legally enforceable standard that applies to public water systems. Primary standards protect drinking water quality by limiting the levels of specific contaminants that can adversely affect public health and are known or anticipated to occur in water. They take the form of Maximum Contaminant Levels (MCL) or Treatment Techniques. A National Secondary Drinking Water Regulation or (secondary) standard is a non-enforceable guideline regarding contaminants that may cause cosmetic effects (such as skin or tooth discoloration) or aesthetic effects (such as taste, odor, or color) in drinking water. The EPA recommends secondary standards to water systems but does not require systems to comply. However, ADEQ requires the Utility to sample these contaminants every three years. A contaminant list and the most recent analysis for the Utility are included in **Appendix B**.

Detection of a contaminant in drinking water does not necessarily represent a threat to public health. Current technology allows water utilities to detect extremely low levels of contaminants in drinking water. All drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. Oro Valley's groundwater contains naturally occurring dissolved minerals and organic compounds, which have been leached from the rock, sediments, and plant materials through which the water traveled. One would expect to find constituents (ions), such as

calcium, magnesium, chloride, bicarbonate, sulfate, and metals such as iron, copper, arsenic and lead, which may be either beneficial or harmless at low concentrations. However, these constituents are harmful at high concentrations.

Other contaminants that may be present in source water are microbial contaminants, such as viruses and bacteria. The Utility disinfects its water source by adding sodium hypochlorite at a level of 0.2 to 0.5 parts per million (ppm), as a precaution against bacterial growth. The Total Coliform bacteria group is used as an indicator to more closely monitor the distribution system for possible unwanted bacteria. During 2010, the Utility collected 696 samples for analysis of Total Coliform bacteria, of which none resulted positive for bacteria. This is a direct result of a successful disinfection program, effective system monitoring, proficient sampling methods, and routine maintenance.

Two inorganic compounds found in groundwater are presently of special interest. These compounds are arsenic and fluoride. Arizona is among a handful of western states whose soil contains naturally high levels of arsenic, which can increase risks for some types of cancer. As of January 2006, all water systems were required to comply with the EPA's new MCL for arsenic of no more than 10 parts per billion (ppb) as compared to the previous standard of 50 ppb. EPA estimates that approximately one-third of the systems nationwide subject to the new standard presently exceed the 10 ppb arsenic standard. In 2010, the Utility conducted compliance tests for arsenic in its wells. All "points of entry" to the drinking water system were reported less than 5 ppb. These results are significantly below the new arsenic MCL. Fluoride at a level of 1.0 ppm has been shown to help prevent tooth decay. In high concentrations however, fluoride can be harmful. Oro Valley's groundwater has fluoride at low concentrations ranging from <0.5 to 0.53 ppm.

The Utility regularly receives inquiries concerning water hardness. Water hardness is a measurement of the concentration of calcium and magnesium. The hardness levels in Oro Valley range from 1.8 to 7.0 grains per gallon. These levels are considered low and as such water softeners would not be required. Hardness levels above 10 grains per gallon could shorten the life of water using appliances.

Water quality standards are continually researched and regularly modified and changed based on scientific research. In early 2006, EPA released the STAGE 2 Disinfectants and Disinfection By-Products Rule. This is an important component to the agency's multi-pronged strategy to reduce drinking water risks to human health through improved standards for pathogens as well as disinfection by-products. Compliance with the new Groundwater Rule began on December 1st of 2009, and is expected to require many small groundwater systems to add disinfection to their systems. The Utility's disinfection program was implemented for both systems in 2002 and presently meets the Ground Water Rule requirement. EPA's rule revisions to Lead and Copper was published in 2006. The revisions are a targeted update of the current rule including guidance on lead in drinking water in schools, including information on improved testing, monitoring and maintenance efforts.

Oro Valley is a growing community in an arid environment. The future of drinking water quality will continue to command serious attention by everyone involved with water supply for the community. Water quality compliance requirements will continue to increase in both complexity and cost, requiring the support and resources needed to ensure regulatory compliance and to provide a safe and reliable water supply to our customers.

BACKFLOW PREVENTION

Backflow prevention is an important component of water quality. The Town of Oro Valley Water Utility implemented the Backflow Prevention Program in response to requirements set forth in the Arizona State Drinking Water Regulations.

The Backflow Prevention Section administers these requirements in accordance with the Town of Oro Valley Water Code # (O) 07-21, the Arizona Department of Environmental Quality Administrative Code, section R18-4-B115, the International Plumbing Code and the guidelines of the University of Southern California Foundation for Cross Connection Control and Hydraulic Research.

The Backflow Prevention Program is designed to protect the public water system from high risk service connections which include, but are not limited to, Commercial, Fire and Irrigation. By state statute single family residences are exempt unless a known hazard exists on the premises.

The backflow prevention department oversees 1224 backflow prevention assemblies. We are required to notify each customer on an annual basis to have each active assembly tested. We send out an initial notification letter, a second and final letter and notify customers by phone when the second letter is sent. The backflow prevention assemblies must also be tested if they are replaced, relocated or repaired. Completed test forms are recorded into our database and the hard copies must be kept by the Water Utility for 3 years. We resurvey all assemblies on a 3 year cycle. There are 188 assemblies that are owned by the Town and are maintained, tested and inspected by the Water Utility Backflow Prevention Section.

The following are some of the major activities and accomplishments that were performed by the Backflow Prevention Section:

- 177 backflow assemblies were tested owned by the Town of Oro Valley
- 38 repairs on in ground and construction water backflow prevention assemblies
- 38 permits for new and replacement backflow prevention assemblies

The program works to keep the water supply safe from contaminants that could be introduced into the distribution system through backflow, backsiphonage or backpressure from our customers plumbing systems or internal processes.

CURRENT WATER SUPPLY

Developed Water Resources

- **Groundwater: 13,384 acre feet per year**
- **Reclaimed water: 2,500 acre feet per year**

The Town of Oro Valley has a groundwater supply of 13,384 acre feet (AF) per year based on its Designation of Assured Water Supply (DAWS) from ADWR. Under our DAWS for each calendar year our groundwater pumping cannot exceed this amount. In 2010, Oro Valley pumped 7,680 AF of groundwater. A requirement of our Assured Water Supply Designation is that the Town must be a member of the Central Arizona Groundwater Replenishment District (CAGRDR). The Town has a Member Service Area Agreement with CAGRDR that was approved by Resolution (R) 97-06. Each year under this agreement, the CAGRDR assesses the Town an increasing portion of the annual groundwater pumped at an increasing rate to replenish what is deemed “excess groundwater withdrawal”. Excess groundwater withdrawals equal the total groundwater produced from our wells less the amount pumped from our permitted recovery wells. In the short term future, using our recovery wells will help to reduce a portion of the increasing CAGRDR costs and obligations.

The Utility has been accruing long-term storage credits by recharging CAP water at the Kai Farms and CAWCD recharge facilities which will also aid in decreasing our monetary payments to CAGRDR. The Town holds permits to store in these recharge facilities. Although membership in the CAGRDR does meet the requirements for our Assured Water Supply Designation, it does not provide “wet” water to the Town of Oro Valley. This is because the Water Utility and the CAGRDR do not artificially recharge in the vicinity of the Oro Valley aquifer because there are no recharge facilities near or in Oro Valley. The recharge facilities utilized are located in the Tucson Active Management Area and near the CAP Canal.

The Water Utility operates in two water service areas: The Oro Valley Water Service Area (OVWSA) and the Countryside Water Service Area (CSWSA). The current well capacity that the potable water system can deliver at a peak flow is 9,997 gallons per minute (gpm) in the OVWSA and 1,773 gpm in the CSWSA. This is equal to 14.4 million gallons per day (MGD) for the OVWSA and 2.55 MGD for the CSWSA. For the average annual day in 2010, our potable water customers used 5.82 million gallons in the OVWSA and 0.627 million gallons in the CSWSA. The maximum daily usage which occurred on June 7, 2010, was 8.77 MGD for the OVWSA and 0.966 MGD for the CSWSA.

Groundwater studies indicate that the Oro Valley aquifer has a sustainable groundwater production rate of approximately 5,500 acre-feet per year. In 2010, well production was 7,680 acre-feet of groundwater from our aquifer. This resulted in pumping our aquifer 2,180 acre-feet more than the sustainable groundwater production rate. To monitor the impact on the Oro Valley aquifer, each year the Utility measures the groundwater levels in all of its wells.

For wells in the OVWSA, the average annual groundwater level decline for the last 5 years is 3.32 feet and the groundwater decline for calendar year 2010 is 2.94 feet.

For wells in the CSWSA, the average annual groundwater level decline for the last 5 years is 0.75 feet and the groundwater decline for calendar year 2010 is 4.08 feet. For all wells, water level changes in CY 2010 ranged from a decline of 17.2 feet to a rise of 2.2 feet. Detailed information on the individual wells and their associated water levels may be found in **Appendix C**.

The Water Utility Staff will continue to monitor our well water levels and production capacity and plan for future well replacements and improvements to minimize well production capacity losses. Reducing groundwater production to a sustainable amount provides the only assurance of preserving and protecting our aquifer and minimizing water level declines

The use of reclaimed water since October of 2005 has helped to reduce the impact on the Oro Valley aquifer over the last five years. The Town of Oro Valley currently has a reclaimed water supply of approximately 2,500 AF per year. This was acquired in 2003 under an Intergovernmental Agreement (IGA) with Tucson Water (TW). The IGA contains a complex formula for computing the annual allotment of effluent produced from the wastewater discharged to the sanitary sewer by Oro Valley Water Utility customers. The Town's effluent is treated at Pima County Wastewater Facilities and then transferred to the TW Sweetwater Reclamation Facility where it is further treated for use in the reclaimed water system or recharged through the TW Sweetwater Recharge Facility. From there Oro Valley's reclaimed water is delivered through TW's reclaimed water conveyance system to Tangerine and Thornydale where it is pumped into Oro Valley's reclaimed water pipeline and distribution system.

Undeveloped Water Resources

- **Central Arizona Project Water:** **10,305 acre-feet per year**
- **Long-Term Storage Credits:** **14,754 acre-feet**
- **Ground Water Allowance Account** **14,109 acre-feet**
- **Effluent Water:** **1,500 acre-feet per year**

The Town currently has undeveloped water resources that consist of our CAP allocation, Long-Term Groundwater Storage Credits, Groundwater Allowance Account and effluent water. Although there is no infrastructure to deliver our undeveloped water resources directly, these sources of supply are used indirectly as "paper water" credits that can offset ground water usage and CAGR obligations.

The Town currently has an allocation of CAP water in the amount of 10,305 AF per year under a Municipal and Industrial (M&I) subcontract with CAWCD. This M&I water subcontract for CAP water is critical to the Town and its future water supply. At this point in time, the infrastructure necessary to convey CAP water to the Town does not exist.

The Water Utility is cooperating regionally with Metropolitan Domestic Water Improvement District, Flowing Wells Irrigation District, and the Town of Marana to build a treatment and delivery system for CAP Water.

Currently, the Town uses its CAP water for recharge pursuant to agreements with Kai Farms and the Central Arizona Water Conservation District (CAWCD). The Utility can store at Kai Farms, the Lower Santa Cruz Replenishment Project and the Pima Mine Road Recharge Project. The Utility stored 2,000 acre-feet of CAP water in 2010 under the Kai Farms Agreement. In addition, the Water Utility stored an additional 2,000 acre-feet in CAWCD Lower Santa Cruz Recharge Facilities in 2010. Long-term storage credits have accumulated to approximately 14,754 acre-feet. Additionally, the Utility is a partner in the Lower Santa Cruz Managed In-Channel Recharge Project in which effluent water is recharged in the lower Santa Cruz River. Long term storage credits accrued through this project were approximately 17 acre-feet in 2010. The Utility will continue to use long-term storage credits to reduce a portion of the costs that are assessed annually by the CAGR. The Utility will continue to recharge CAP water until such time the water is needed for direct delivery.

In addition to our long-term storage credits, our Groundwater Allowance Account (GWA) must be used wisely and carefully managed over the next several years. This account had been depleted over past years from 75,000 acre-feet to less than 10,000 acre-feet. Recent purchases and subsequent pledges of Groundwater Extinguishment Credits have increased the current balance of the GWA. The GWA balance as of the end of 2010 is 14,109 AF. If available, additional purchases of Groundwater Extinguishment Credits will be considered in the future to increase the balance of the Groundwater Allowance Account. By purchasing GECs, the Water Utility is saving its customers money by reducing monetary payments and obligations to the CAGR and effectively managing our water resources.

Included in the Town's DAWS is 4,000 acre-feet per year of effluent which is the source of supply for our reclaimed water. In 2010, 1,957 acre-feet of reclaimed water was used. The reclaimed water system supplies irrigation for five golf courses and the athletic fields at one elementary school. The remaining amount of effluent is used for obligations to Pima County and for the Southern Arizona Water Rights Settlement obligations. Any unused effluent is recharged through Lower Santa Cruz River Managed In-Channel Recharge Project and will be available to the Town in the future for additional growth. This effluent may be used for reclaimed water or for groundwater storage credits.

Oro Valley owns its effluent through an IGA with the City of Tucson. In addition, Oro Valley has delivered treated effluent as reclaimed water under another IGA with the City of Tucson. Under this IGA, Tucson Water will treat and deliver up to 3.75 MGD of reclaimed water daily to Oro Valley Water Utility. On days when additional reclaimed water was available, the Utility received up to 4.4 MGD which is the maximum pumping rate for the pumps at Thornydale Reservoir and Pump Station.

In 2010, Tucson City Council and the Oro Valley Town Council approved (TOV Resolution (R) 10-66, which provided for a two-year time extension for determining the uninterrupted rate for the delivery of reclaimed water through the Tucson Reclaimed Water System.

Under our Assured Water Supply Designation, we are required to comply with the Third Management Plan in the Tucson Active Management Area. As part of the Third Management Plan we are under the Gallons per Capita per Day Program (GPCD). With the use of reclaimed water, we have been in compliance with the GPCD Program and expect to meet all the requirements of this program in 2011.

WATER RESOURCE PLANNING & MANAGEMENT

The Utility has a water resource planning effort that incorporates previous studies and reports that have been developed over recent years. These reports provide the framework for water resource planning and management. Recently, the Water Utility has developed a plan for short-term and long-term options for the delivery of our Central Arizona Project water. The Water Utility, in cooperation with the other NW Water Providers, has also participated in planning and pipeline routing studies for the delivery of CAP water. Water resource planning will investigate alternatives for future water supply and delivery. It will include the following:

- Groundwater development (existing, new and replacement wells)
- Reclaimed Water System
- Central Arizona Project water planning and development
- Water Conservation

Water resource planning will involve technical, financial, legal, political, institutional and environmental issues. Involving the public will be a key aspect of a successful program for future water supply. Funding for the development of CAP and reclaimed water under the water resource planning effort has been included in the Utility's budget under the Alternative Water Resources Development Impact Fee Fund Budget.

Potable Water System

The potable water system improvements are included in the Five-Year Capital Projects Program. The demand on our wells has been reduced due to use of reclaimed water for irrigation. This reduction preserves and protects our valuable groundwater for potable water use. All groundwater depletions must be replaced through the use of our recovery wells, our Groundwater Allowance Account, our Long-Term Storage Credits and/or the CAGRDR.

The Commission recommended and Council approved an IGA for a Cost of Service Study with Tucson and Metro Water to look into the delivery of our CAP water through the Tucson Water system. This study is near completion and has provided the basis for developing short-term interim options for the delivery of our CAP through the Tucson Water System. A water quality and distribution study is also in progress and near completion to determine what flows, pressures, quality issues may occur when CAP water is delivered. In addition to these studies, options for long-term delivery of CAP water are being evaluated. These long-term options include both direct treatment and delivery and recharge and recovery. Numerous sub-options for these two major categories are included. For now, however, the focus is on the short-term interim options that could be implemented with the next year or two.

Reclaimed Water

The use of reclaimed water for turf irrigation has a beneficial impact on the Utility's ability to meet potable water demands during peak use months. The Utility will continue to look for opportunities to expand the customer base of the reclaimed water system for turf irrigation such as the proposed Naranja Park. In addition, non-turf irrigation uses such as landscape irrigation, construction water, dust control, car washes, street cleaning and recreational uses may also be served with reclaimed water to help reduce demands on the groundwater aquifer. Public Works is currently using reclaimed water for street cleaning and other approved maintenance purposes. This saves the Town both water and money.

Northwest Water Providers CAP Water Treatment and Delivery System

The Town through the Water Utility has been cooperating with other Northwest area water providers, Metropolitan Domestic Water Improvement District, Flowing Wells Irrigation District, and the Town of Marana (Northwest Water Providers) to develop a regional CAP water treatment and delivery system within the northwest Tucson area. These four entities cooperate together under a Memorandum of Understanding and also an Intergovernmental Agreement.

In 2007 a study entitled *Northwest CAP Water System Cost Estimate and Alternatives Review Study* was conducted by Carollo Engineers for the Northwest Water Providers. In addition, a financial study was conducted by Stone & Youngberg to estimate the debt service for the individual Northwest Water Providers. The report by Carollo Engineers included costs for a proposed treatment plant, booster pump station and pipeline alignment from the CAP canal near I-10 and Tangerine Road. A pipeline routing and cost study was also performed in 2009. This study looked at alternatives for the pipeline route and included environmental, technical and cost criteria. Pipeline alignment and sizing is based upon the specific flow and pressure needs of each of the Northwest Water Providers.

The Water Utility is also conducting studies regarding water distribution, and water quality for the future delivery of CAP water. The Utility is also doing further evaluation and cost studies for short-term and long-term CAP delivery options. These options include direct treatment and delivery and treatment and recharge and recovery. Currently the Utility is focusing on the short-term interim option of delivering our CAP water through the Tucson Water system.

In addition to these facilities, a reliability component would be needed to be provided as part of the Central Arizona Project. Recently, an agreement regarding reliability was approved by the Central Arizona Water Conservation District, Flowing Wells, Marana, Metro Water, Tucson and Oro Valley that addressed the longstanding issues regarding reliability. The basis of this agreement was that most or all of the reliability deliveries could be made through recharge and recovery.

For the Northwest Water Providers (NWWP), however, if a treatment plant is constructed off the CAP canal, other options for reliability such as by-pass pumps and canal storage would be implemented to assure reliability when the canal is down for maintenance.



Central Arizona Project Canal

If the NWWP construct a joint system, it could be designed to deliver as much as 30,000 acre-feet per year (26.8 million gallons per day) of CAP water into the northwest area to the four water providers. Oro Valley would participate in the project for 10,000 AF or approximately one-third of the project. Costs will be split among the four participating water providers according to their system capacity and delivery location. Oro Valley's share of this project is estimated to be \$66 to \$77 million dollars in capital costs with a debt service of approximately \$4.7 million dollars per year for Phase 1 of this project.

The Town of Oro Valley is committed to the use of CAP water and will continue to work with our partners to see that this concept becomes a reality for our community. Recent economic conditions may push projected water use demands further out in time. Implementation of the short-term options may also delay the need for development and implementation of the long-term options for CAP delivery.

CAP Water Treatment Pilot Study Project

The Town of Oro Valley and the other Northwest Water Providers have developed a pilot study in cooperation with the Bureau of Reclamation and the University of Arizona to investigate water quality and salinity issues related to the treatment of CAP water.

This pilot study has been operational for several years to investigate alternatives for the treatment of CAP water. It also includes studying concentrate management options such as the use of halophyte (salt tolerant plants) irrigation as a means of disposing of the concentrate (salts) created by using reverse osmosis. This project is located on the west side of Interstate 10 and south of Tangerine Road. The results of this study are encouraging in terms of concentrate management. Microfiltration, slow-sand filtration, reverse osmosis, and enhanced reverse osmosis methods have been studied and results are very encouraging. The group is now considering additional water quality work related to recharge and recovery near the Lower Santa Cruz Recharge Project facilities.



Central Arizona Project Recharge Facility

WATER CONSERVATION PROGRAM

Water conservation is an important factor in balancing our current and future water supply needs. Climate and the demands on our water supply place a significant impact on our water resources. Combine the state's arid climate with persistent drought conditions and the importance of managing our water resources effectively becomes even greater. The Utility recognizes the complexity and importance of sustained reliability. The Water Conservation Program is an important element in the overall water resource management efforts of the Utility. The water conservation program focuses on water audits, public outreach and education, incentives and cooperative relationships involving current issues and research. The following paragraphs provide insight into the various policies and programs that support water conservation for our customers and community.

Water Audits

Residential, homeowner association common areas and commercial water audits continue to function as a key element in the water conservation program. Audits are valuable educational tools that create an awareness of water consumption by homeowners, businesses and the community as a whole. In 2010, 178 water audits were completed. Figure 1 illustrates the total number of audits performed annually. Figure 2 illustrates the average number of audits conducted on a monthly basis from 2003 through 2010. The total number of water audits conducted since the program began in 2003 is approximately 1,400.



Figure 1

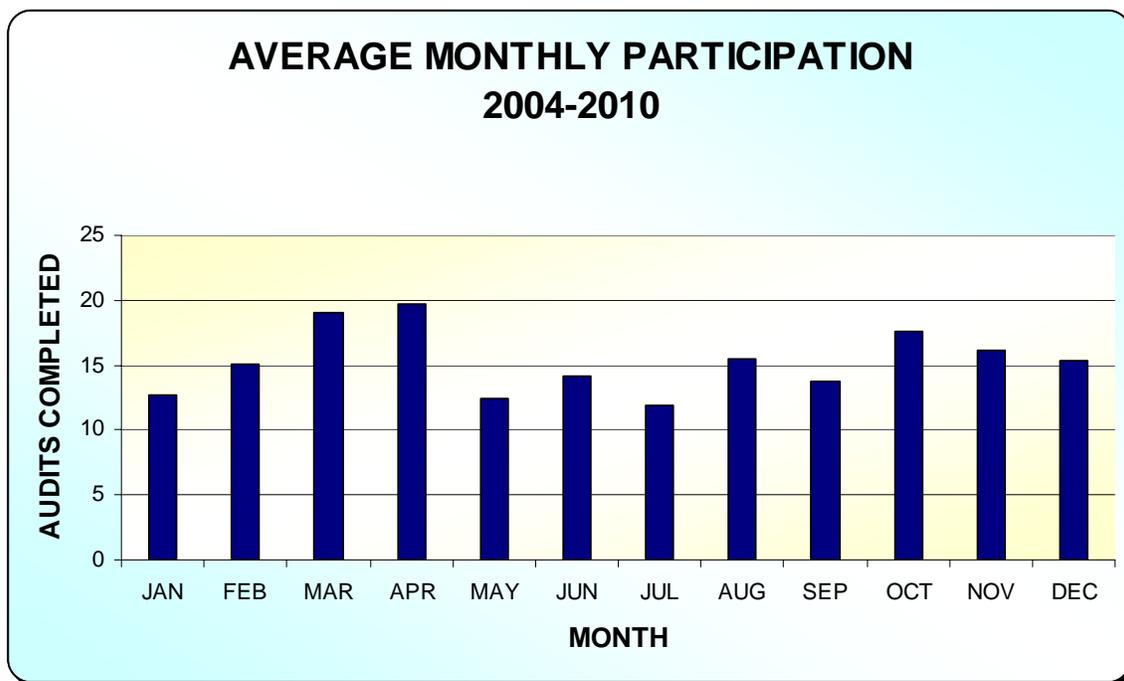


Figure 2

Audits allow for a number of important conservation issues to be addressed while maintaining a cooperative relationship with our citizens and customers. As part of these free audits, customers are informed on general water conservation practices and principles. Irrigation systems and swimming pools, as well as interior household fixtures and appliances, are assessed for efficiency and proper use methods. Water use strategies are specifically tailored to the individual's water use habits and landscape needs. In addition, any observed leaks or equipment malfunctions are brought to the attention of the customer. Data collected during the audit is used to assess and recommend changes that may be needed to improve water use management. The Utility also uses the data collected in audits to identify the concerns of customers and help direct the focus of the conservation program. Analysis of these statistics allows the Utility to identify trends in town-wide water consumption and helps evaluate the effectiveness of the program. Water use by audit participants is tracked for the year prior to the audit and then compared to their use for a minimum of one full year after the audit. For audits completed in 2009, water consumption dropped approximately 19% in the first year after the audit resulting in an average water savings of over 3.2 million gallons. This is illustrated in Figure 3.

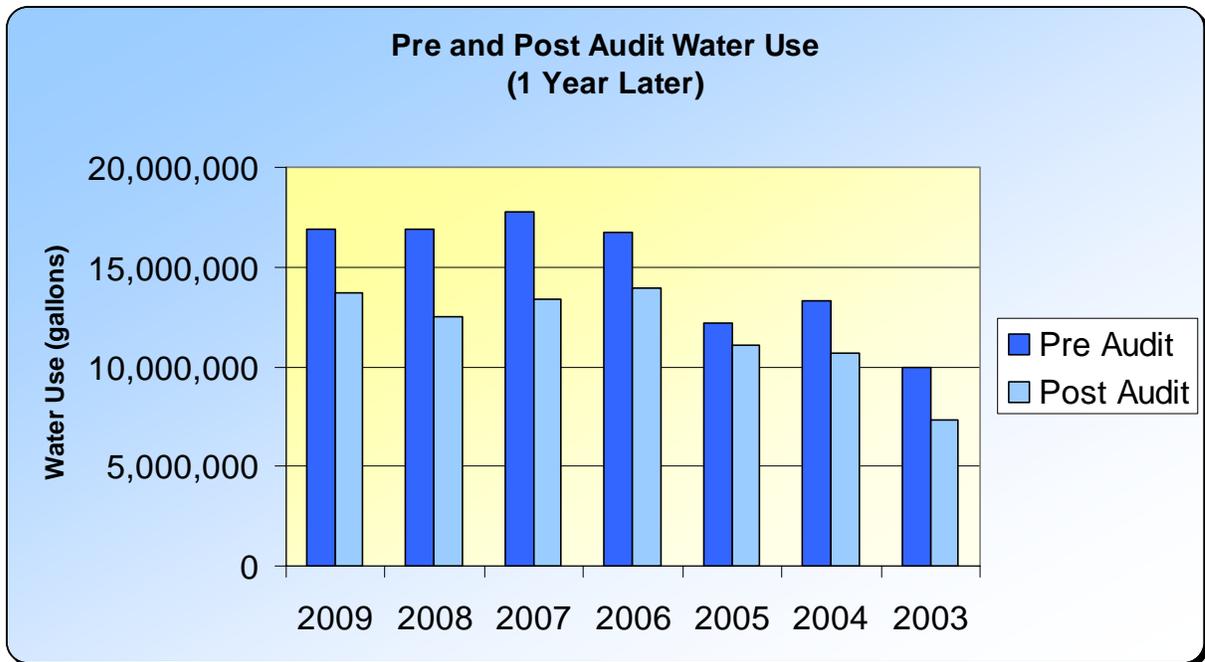


Figure 3

Education and Resources

Enhancing education, communication and water conservation related services for customers and the community is a very important aspect of the conservation program. The Utility is continually revising and assessing its services. The Utility provides a wide variety of adult and children’s literature through various channels. The literature is free to our customers and is distributed through our main office, at the Oro Valley Library, at Town events, and during water audits. Landscape irrigation schedule cards are also available for watering guidelines related to plant types. In addition, the *Water-Wise Landscaping for Southern Arizona CD* is available in our main office and as a link on our website. Conservation classes, when offered, are well attended and have included topics such as low water use plants and rainwater harvesting.

In addition to literature and classes, the Utility also offers toilet dye strips for leak detection purposes along with low flow shower heads, faucet aerators and in-line shut off valves to retrofit existing shower heads.

Professional Memberships and Affiliations

The water conservation staff continues to work with all divisions of the Utility and other departments within the Town. In addition, the Utility maintains memberships in professional organizations as a means of keeping up to date on current technology and providing progressive training for staff. The memberships include the American Water Works Association, the Irrigation Association and the Water Conservation Alliance of Southern Arizona (Water CASA).

Renewable Water Resources

Renewable water resources available to the Town include reclaimed water and CAP water. The Utility is currently serving reclaimed water to 5 golf courses, the athletic fields for 1 elementary school and 2 construction water hydrants. The Utility will continue to look for ways to expand the existing reclaimed water delivery system for other irrigation purposes.

Additionally, the Utility is evaluating methods for the short-term interim delivery of CAP water through Tucson Water's delivery system. The Utility will also continue to study long-term options for the delivery of our CAP water. The use of renewable water resources is a vital role in groundwater conservation and preservation to help the Town achieve sustainability.

Drought Preparedness Plan

The Utility has complied with a directive from ADWR by creating and filing a Drought Preparedness Plan (DPP). The Town of Oro Valley maintained Stage 1 drought conditions throughout 2010. This condition calls for voluntary restrictions under the Town's DPP. The DPP identifies four different drought stages. Each stage identifies specific actions and restrictions that apply to all customers and Town facilities. Drought stages may change when two or more of the subsequent criteria or triggers are met. Criteria include temperature, precipitation, US Drought Monitor levels, and annual average decline of static groundwater levels in the aquifer underlying Oro Valley.

Incentives

The current incentive program includes irrigation system rain sensors which are sold at a reduced rate to our customers. To date, approximately 632 rain sensors have been sold to customers with active accounts. In an effort to better serve the customers, a Rain Sensor Installation Guide is distributed by the Utility and is also available on our website. Low Flow Toilet rebates are also being considered as an added conservation tool in the program.

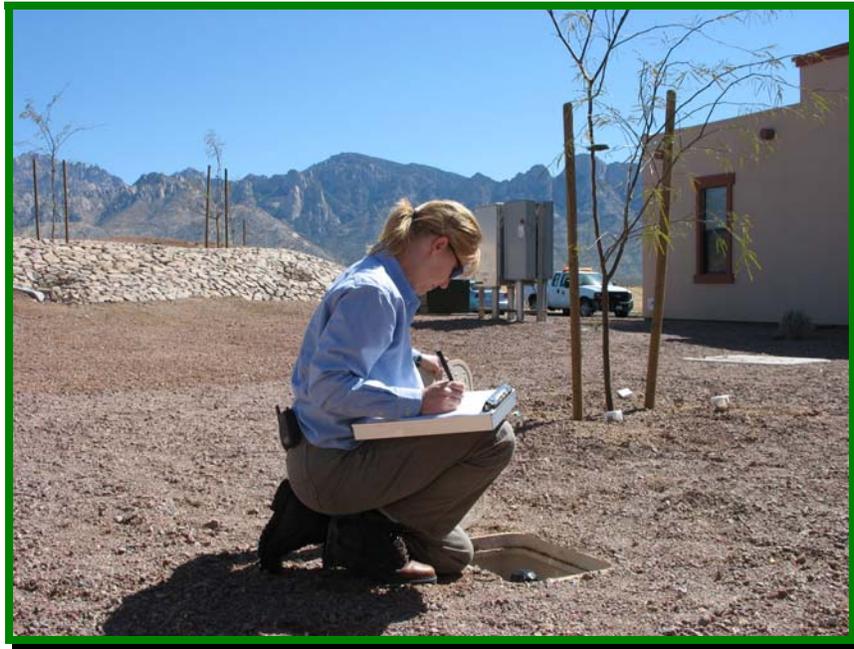
Research

Partnerships with Town departments, organizations and professionals in the water management industry continue to be vital in assessing the latest practical technologies and methodologies in water resource management. Information is then passed on to our customers through a variety of venues such as education programs, audits, and consultations.

Policy

In an effort to provide Oro Valley customers more options to expand their conservation efforts, changes were made to the Town Code in 2009 that requires the installation of graywater plumbing in residential construction.

In addition, the Landscape Section of the Town Code has been updated to reflect the importance of water conservation. Water plans will be required for irrigation water use on new multi-family, commercial and homeowner association common areas. New Code requirements will also apply to all projects that entail cumulative revegetation of 25% or more landscaped areas. Water plans or “budgets” allow properties to monitor water use much more effectively and determine the presence of leaks much quicker. A fine or surcharge may be imposed when water budgets are exceeded. Water audits for new commercial development are a critical component of the revised code. These revisions became effective June 2010.



Water Conservation Audit

Short Term Goals

The Utility continually strives to provide a high level of service. The Water Conservation Program encompasses a wide variety of water users and therefore constant evaluation of the program is important to ensure its relevance and success. The Utility works to enhance communication and education efforts by improving and updating the website content. The *Water Ways* newsletter is also offered and is published as part of the on-line *Oro Valley Vista* magazine. Conservation classes continue to be an important venue to provide the community with educational opportunities on topics such as rainwater harvesting, designing low water use landscapes and the use of graywater for landscape irrigation.

Long Term Goals

The Utility continues to evaluate rebates and incentives as potential tools in the water conservation program. Water audits, one of our most beneficial services, assist many homeowners in conserving water; however, extending a more comprehensive service to homeowner associations and commercial properties will become important. The research and establishment of landscape water budgets for homeowner associations and commercial properties would be a valuable tool for existing properties that are not affected by the revision of the Landscape Section of the Town Code. Water budgets are generally based on plant requirements and plant type. The best methods and practices to calculate water budgets are being assessed by Water Utility Staff.

WATER UTILITY OPERATIONS

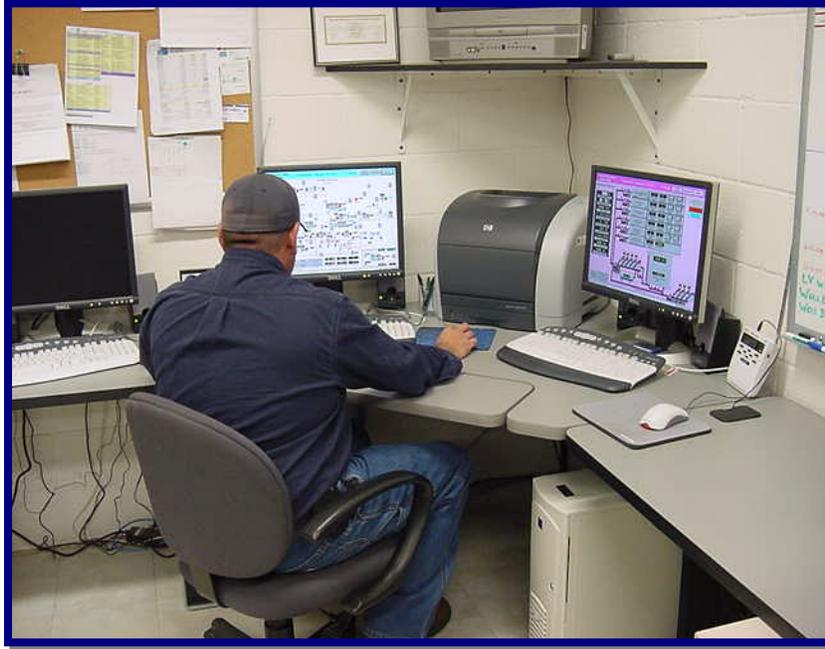
Production Facilities Division

Water Utility personnel in the Production Facilities Division are responsible for the operation and maintenance of the wells, booster pumps and reservoirs on two potable water distribution systems and the booster pumps, metering stations and reservoir on the reclaimed water delivery system. All Production Facilities personnel are operators licensed and certified by the Arizona Department of Environmental Quality (ADEQ). The operators have the direct responsibility to operate the facilities section of the water systems according to the regulations and rules set forth by the EPA (40CFR141) and ADEQ (Arizona Administrative Code Title 18).

The potable systems are chlorinated systems and the Production Facilities Division controls and monitors the chlorine dosage rates and residuals on a daily basis. The potable system located within the Town of Oro Valley Water Service Area (OVWSA) is a Grade IV Water Distribution and a Grade II Water Treatment system and currently delivers water to twenty pressure zones and a consecutive system located at La Cholla Air Park (LCAP). LCAP is considered a consecutive system because it is served off of the OVWSA through a large 6-inch meter and the Water Utility does not have responsibility for the operation and maintenance of the LCAP water distribution system. The Public Water System Number is AZ0410164 for OVWSA. The potable system that is not located within the Town boundaries, known as the Countryside Water Service Area (CSWSA), is a Grade III Water Distribution system that currently delivers water to a single pressure zone at the Countryside development. The Public Water System Number is AZ0410175 for CSWSA. The groundwater production capacity within the OVWSA is currently 14.396 million gallons per day (9,997 gpm) with a storage capacity of 7.79 million gallons. The groundwater production capacity within the CSWSA is currently 2.553 million gallons per day (1,773 gpm) with a storage capacity of 0.87 million gallons.

Production Facility SCADA Operations

The Utility continues to be proactive in the implementation of maintenance programs and facility upgrades. The development of an overall preventive maintenance program is in progress. Facility sites are evaluated annually to determine necessary upgrades to ensure efficient operation of the facilities. A continuing effort to retrofit water level sensing equipment in each production well will help the Utility collect monthly water level data and will assist in the development of an accurate water level database and to analyze trends. Monthly monitoring of the water levels will also help the Utility identify potential problems with either the pumping unit and/or the well itself and schedule required maintenance before a well and/or pumps fail.



Production Facility SCADA Operations

The following are some of the major activities and accomplishments that were performed by the Production Facilities Division in 2010:

- Assisted with the pump replacement at well E2
- Water drainage modification at the Sheraton Booster
- Assisted with the installation of wall security pickets at Well C6, Naranja, Woodburne, Woodshade, and Lambert Lane boosters
- Room air conditioner replacements at Well D9, Well CS1, and ElCon booster
- Chlorine injection modifications at Wells D1, C8, C6, and D7
- Modified chlorine transport truck for 100 gallon transport tank (assisted by Distribution staff)
- Perform troubleshooting and major repairs to the main Reclaimed Facility after a direct lightning strike
- Facility perimeter wall painting at Sun City, CDO boosters, and Wells CS2, D6, C7
- Appurtenance painting at Big View booster and Stone Canyon reclaimed metering
- Well C9 chlorine generator modification and repair
- Lake level sensor repairs at Sun City and Vistoso Highlands
- Install new well discharge piping network at CS1
- Groundwater level instrument installation and programming at Wells D6, D7, D9, E6B, E7B, and F1
- Electrical modifications, RTU installation and programming at Well E3
- Installation of high capacity back-up battery systems at Glover, El Conquistador, and WP4
- Maintained disinfection injection pumps and tested disinfection residuals daily throughout systems AZ0410164 and AZ0410175

- Performed mechanical and general maintenance including weed abatement at 21 wells, 27 booster stations, and 18 storage tanks
- Performed the annual groundwater level survey
- Assisted with five reservoir exterior and interior inspections
- Assisted with the Well Monitoring capital project and quarterly report
- Major upgrade to latest Rockwell HMI software
- Assist with the CIP on Well E1B, “LaCanada North reservoir”, and Reclaimed main facility
- Efficiently operated the potable and reclaimed systems via SCADA
- Responded to approximately 263 after hour’s calls
- Completed 168 work orders
- Fabricated and installed new access gate at Naranja reservoir
- Installation or reconfiguration of intrusion devices at Big Wash, WP15, Reclaimed main facility
- Electronic flow meter installation, programming and testing at LCS reclaimed site
- Install and program electronic flow meter at well E5B
- Remote Terminal Unit programming at 10 sites
- SCADA network system maintenance on forty-four Remote Terminal Units, two Master Controllers, two Human Machine Interfaces, and one Master Server
- Continued participation in the Town of Oro Valley Energy Efficiency Project
- Staff training by ADOT for hazardous material transport (3 yr refresher) for chlorine
- Performed approximately 7,020 chlorine endpoint tests and 4,420 routine site checks

The Supervisory Control and Data Acquisition (SCADA) system is continuously updated, improved and programmed to streamline operational control, data trending, and alarm annunciation. The SCADA system a centralized network and currently monitors and controls all potable and reclaimed system facility sites. Utility staff monitor and operate all water systems via the SCADA system on a twenty four hour seven day a week (24/7) basis. Production facilities staff is also responsible for the installation and maintenance of security devices at the Utility’s facilities.

Production staff works very closely with Distribution Facilities and Water Quality personnel to address any system problems. The Production Facilities staff is on-call 24/7 and utilizes a tiered level after-hours response protocol that is in accordance with the developed Emergency Response Plan. Production Staff is continually monitoring and checking the system to provide safe and reliable water service for our customers.

Distribution Facilities Division

Utility personnel in the Distribution Facilities Division are responsible for the operation and maintenance of 342.73 miles of potable water main, 12.5 miles of reclaimed water mains for a combined total of 355.23 miles of mains. There are approximately 2,027 fire hydrants and 7,397 valves on the water distribution system. The Staff conducts maintenance programs and repairs that keep the distribution system functioning properly and minimizes problems that are inherent to water distribution systems.

Data bases have been established for hydrants; pressure reducing valves, and air release valves. A valve exercising program that helps monitor equipment and develop maintenance cycles has been established. The program provides information and equipment history data that facilitate a proactive replacement program. All Distribution Facilities personnel are operators licensed and certified by the Arizona Department of Environmental Quality (ADEQ). The operators have the direct responsibility to operate the distribution section of the water systems according to the regulations and rules set forth by the EPA (40CFR141) and ADEQ (Arizona Administrative Code Title 18).

The Division works closely with Customer Service and responds to complex customer work orders such as high/low pressure, water quality, service line breaks, hydrant repairs, system pressure regulating valves, system air relief valves and system flushing. The Division also is responsible for bluestaking all underground water mains. The Division is responsible for maintaining 16 active {8 inactive} pressure reducing valves (PRV) for a total of 24 PRVs, 745 air relief valves (ARV) and 873 drain valve assemblies (DVA).

The Division also responds to water pipeline leaks and repairs these leaks in a timely and cost effective manner to minimize impacts to our customers. The Division also worked with local fire protection agencies to flow test and repair approximately 81 fire hydrants.



6 inch PRV modification

The following are some of the major activities and accomplishments that were performed by the Distribution Facilities Division in 2010:

- Maintained, replaced and/or repaired 12 hydrants
- Flow tested and/or repaired 81 hydrants for fire protection
- Performed 100 tests and/or repairs for the maintenance and operation of the 24 pressure reducing valves

- Maintained, replaced and/or repaired 30 air relief valves
- Maintained, replaced and/or repaired 2 drain valve assemblies
- Performed 3,127 bluestakes for underground pipeline and facilities locations
- Responded to and repaired 4 water pipeline breaks
- Responded to approximately 422 customer inquiries in the field
- Responded to and repaired 15 service line breaks
- Responded to 322 after hour call outs
- Installed 18 new hydrant defenders
- Modified 3 pressure reducing valves

The Distribution Division also has significant direct customer contact and responded to customers regarding pressure or flow related problems in the field. The Distribution Division, in conjunction with the Production Facilities Division, provides 24-hour on-call staffing to respond to water system problems. During this past year, the Utility made 3 six inch PRV modifications. These PRV stations were modified from being located below underground vaults to being raised above ground. This was done for safety and maintenance reasons.

The distribution staff received numerous letters from customers who received assistance from Distribution personnel that exceeded their expectations. This is confirmation of the high level of professional performance and courteous service of Utility personnel.

SECURITY AND EMERGENCY RESPONSE PLAN

The Public Health Security and Bioterrorism Preparedness and Response Act were enacted in 2002. This federal mandate required the Utility to perform a Vulnerability Assessment (VA) and develop an Emergency Response Plan (ERP) that incorporates the vulnerabilities identified by the VA. Under Homeland Security Presidential Directive #7 (HSPD7) the Water Utility infrastructure is considered critical infrastructure of national interest.

Under current Federal guidelines, water operations personnel are considered first responders. Though primarily mandated by State rules with public health responsibilities, water operators also have a public safety responsibility with relevance to the water systems they are charged with operating. First response staff and vehicles are placed in an after hours position to directly respond to any developing emergency in order to minimize a situational effect on water system integrity. Production Facilities and Distribution Facilities staffs coordinate their response actions. They will respond with an appropriate level of personnel to mitigate the problem. Currently, the combined first response staff from Distribution and Production can handle the initial stages of two small-scale concurrent system events or one widespread system event. Any facilities security situations directly involve the Oro Valley Police Department as a first response action.

The VA for the Oro Valley Water Utility and the certification that the ERP was completed were submitted to the EPA and ADEQ in June 2004. The VA and the ERP were reviewed in 2010. They are up to date regarding the Utility operational or response situations. Contact information and procedures were also updated.

Following completion of the VA, the Utility began to implement a program that would address and correct elements identified in this document. The changes are designed to protect and “harden” the facilities against potential threats from the acts of people who wish to do harm to the residents of Oro Valley. The Utility will continue to implement elements defined in the VA as well as those that may be identified through the course of business.

In 2010, Utility personnel, with the assistance of a security consultant, reviewed, refined and updated the security program, Emergency Response Plan, and the Business Continuity Plan. Under the security program a series of training classes and exercises were made available and completed by the Utility Staff. This training is done on an annual basis as per the guidelines from the Department of Homeland Security, FEMA, and the EPA. The Water Utility is registered with the NIMS Compliance Assistance Support Tool (NIMSCAST) and the compliance metrics assessment was completed for 2010. Utility personnel will continue to complete the required training and certification for Incident Management courses provided by FEMA. Operations personnel also receive emergency management courses provided by ADEQ.

The Business Continuity Plan (BCP) and the Emergency Response Plan (ERP) are reviewed and updated annually to facilitate the ability of the Utility to continue vital administration, business services, and response actions in the event of an emergency or disaster. In addition to the above training, the Water Utility also participated in a Town-wide emergency response training session with the other departments.

The hydrant lock program continues to be implemented through the new development process and all hydrants within Oro Valley systems are protected from illegal entry and use. In 2010, 18 new hydrant defenders and locks were installed. There is extensive cooperation under this program with the three fire districts serving Oro Valley Water Utility customers, the Oro Valley Police Department, and other area water providers.

Perimeter barrier fencing at all active production facilities, which include booster stations, are inspected on an annual schedule to maintain integrity. Intrusion detection equipment and warning signage has been installed at all active production facility sites. All new capital improvement designs incorporate the required security enhancements. These security features include security walls, motion sensors and cameras.

Testing devices have been purchased for testing water samples under a first response scenario. This equipment is capable of giving instantaneous results on a broad spectrum of chemical constituents. A continuing program has been initiated to chemically characterize (“fingerprint”) the water produced. This will help identify any anomalies during a suspected event involving water quality. These baseline data are taken on a monthly basis.

Future system enhancements are proposed to include installation of real-time water quality monitoring devices that will be tied to SCADA. This is still being researched as to the most practical and accurate methodology.

The Utility is kept abreast of local, regional and national security issues via weekly situation reports provided by Water Information Sharing and Analysis Center (Water ISAC). The Utility also joined Arizona Water/Wastewater Agency Response Network (AZWARN) in 2009 to mutually cooperate with other water and wastewater providers in an emergency.

ENGINEERING & PLANNING

The Engineering & Planning Division is responsible for planning and managing the design, construction and inspection of all new water infrastructures for the Town of Oro Valley as well as planning for the delivery of new water resources to the Town. New water infrastructure is constructed both through the new development process where the developer finances the project and through the Water Utility's capital improvement program. The Engineering and Planning Division provides technical support to both operational groups, Distribution and Production as well as to other Water Utility personnel. Additionally, it is responsible for managing and maintaining a Geographic Information System data base on all existing water system infrastructure in coordination with the Information Technology Department.

As part of the long term plan to deliver CAP water to the Town in the near future, the Engineering & Planning Division is working with several engineering firms who are conducting studies for the treatment and distribution of CAP water to the Town of Oro Valley. The focus of the studies include treatment processes such as, recharge and recovery and direct delivery, routing from the source to the Town, water quality issues such as total dissolved solids (TDS) and pH, logistics for delivery and any new required infrastructure as well as associated costs.

New Development

The New Development Section is responsible for facilitating development by reviewing and approving water improvement plans for proposed new developments and assisting with planning for future water system expansion. Water improvement plans are reviewed for compliance with Water Utility standards and are approved for construction once all requirements are met. Through this process the need for additional pipelines, booster pump stations and water storage reservoirs are identified as they relate to future developments.

Each new development project is required to have an executed Line Extension Agreement (LEA) which outlines the responsibilities of the developer and the Town of Oro Valley. The LEA is the legal document that transfers the ownership of the new infrastructure to the Town and provides a two year warranty for the new water infrastructure installed.

The New Development Section works closely with the Pima County Department of Environmental Quality to acquire a certificate for the "Approval of Construction" prior to placing new water facilities in service. Coordination with Planning and Zoning, Public Works and Building Safety Departments is critical to this process to ensure quality construction and that water facilities are constructed in accordance with approved standards. With the economic down turn, there has been a slowdown in the submittal of new development plans from the previous year. In 2010, the New Development Section reviewed and approved nine (9) water improvement plans for construction. Six (6) plans were constructed, inspected, approved as-built, and placed into service. The completion of these projects added approximately 0.43 additional miles of pipeline to the existing water distribution system.

CAPITAL PROJECTS

The Engineering and Planning Division annually manage the design and construction of capital projects that are identified in our five-year capital program and annual operating budget. These projects are designed to improve existing facilities to maintain current levels of service and help the Utility keep pace with increased demands due to growth within the Town and water service areas. These capital projects are described below.

Design Projects

Chlorine Storage – design of a storage facility to house the existing chlorine supply is complete. The chlorine supply will be relocated to the Rancho Vistoso Reclaimed Reservoir site from the Big Wash Well, Booster and Storage facility.

Lambert Lane Water Improvement – design of a new 16-inch water main in Lambert Lane is complete. The new water main will relocate and replace the existing water mains and is part of the Town project to widen and improve Lambert Lane to four lanes.

Campo Bella Water Improvement – the design for replacing old and undersized water mains with new 8-inch looped water mains has been postponed. The existing water system will continue to be monitored for operation and maintenance costs to best determine if and when the existing water mains should be replaced.

Planning Studies

CAP Water Distribution and Delivery Study CH2MHill - The focus of the study is to assist the Town in developing an optimum approach for the introduction of CAP water into its existing potable water distribution system that balances water supply demands, water quality concerns and cost considerations.

CAP Delivery Cost Study Carollo Engineers - The focus of the study is to provide conceptual level costs for recovery, treatment and delivery of Central Arizona Project (CAP) to the Town of Oro Valley.

Investigate Water Quality in the Lower Santa Cruz and Avra Valley Recharge Project Basin Wells Associates - The focus of this investigation is to determine the water quality and characteristics from potential recovery wells in the area.

Construction Projects

Sheraton C-D Zone Booster Pump

The existing facility has been in operation since the early 1980's. A new facility and pumps have been designed to improve system capacity and efficiency. The Town will advertise for construction services in April and construction activity will start in FY 2011-2012. This is a WIFA financed project

La Canada 24-Inch Water Main

The new water main installation is currently underway. The project is located near La Canada Drive and Moore Road. The pipe will connect to the new 3.0 million gallon reservoir on King Air Drive. The project completion is scheduled in April.

New Production Well E-1B

The well drilling operation was complete in November 2009. The facility is located near First Ave. and Tangelo Drive. Construction is currently underway to install a new well pump, electrical control system and facility improvements. The project is scheduled for completion in April. The new well will be capable of delivering 600 gallons per minute into the distribution system. This is a WIFA financed project.



Production Well E-1B

North La Canada Reservoir

The 3.0 million gallon concrete buried reservoir is currently under construction and is scheduled to be complete in next fiscal year. It is located near Moore Road and King Air Drive. The project includes an in-ground valve vault and provision to add a second reservoir in the future and a booster pump station. It will be the largest potable reservoir in the Town.



North La Canada Reservoir

Construction Inspection

All new development and capital projects are inspected during construction for conformance with the approved design as well as material and installation standards. The Water Utility has two full time Construction Inspectors and utilizes the services of a consultant inspector to assist when specialized inspections are required. In addition to inspecting new construction, both inspectors assist Operations Staff in the monitoring and inspection of existing water main repairs. This year, inspections were performed on six (6) new development projects and three (3) capital improvement projects. These projects included potable water system pipeline, one well equipping project and the construction of a 3 million gallon concrete in-ground reservoir. Due to the decline in new development projects, Water Utility inspectors were available to inspect all of the capital improvement projects typically performed by outside consultant inspectors saving the cost to the Water Utility.

Future Projects

Potable Water Capital Improvement projects planned for FY 2011-12 include the following:

- Complete La Canada Reservoir construction
- Install new 16 inch water main improvement on Lambert Lane
- Construct Sheraton booster station
- Construct water main replacements in Campo Bello Subdivision
- Install control valve at WP 4 and install new PRV at Big Wash
- Interim Wheeling – Tucson Water short term connection
- AMI Meter Replacement in Countryside Service Area

Construction costs have stabilized in the past twelve months and we are expecting a slight increase in next fiscal year.

Five Year Capital Projects Program:

The following table summarizes the Utility's proposed five year Capital Projects Program. A detailed schedule of the capital improvements program may be found in **Appendix D.**

CIP	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	5 Year Total
Existing System	\$ 3,995,000	\$ 1,880,000	\$ 1,860,000	\$ 3,200,000	\$ 2,880,000	\$ 13,815,000
Expansion Related	\$ 740,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 740,000
Wheeling Tucson Water	\$ 515,000	\$ 0	\$ 800,000	\$ 3,600,000	\$ 3,600,000	\$ 8,515,000
Total	\$ 5,250,000	\$ 1,880,000	\$ 2,660,000	\$ 6,800,000	\$ 6,480,000	\$ 23,070,000

The capital projects for existing system improvements FY 2011-12 will be financed with a Water Infrastructure Finance Authority (WIFA) low interest loans and cash. It is proposed that projects in future years will be financed through proceeds from cash reserves and future debt issuance. All expansion related improvements will be financed with remaining Series 2003 bond proceeds and with cash generated from the Potable Water System Development Impact Fees.

FINANCIAL HIGHLIGHTS

The Utility's revenue consists of potable and reclaimed water sales, groundwater preservation fees, miscellaneous service fees and charges, water development impact fees and interest income. The Water Utility has three funds:

- **The Enterprise Fund** provides funding for the Water Utility administration and operations as well as existing system improvements. The sources of revenue for this fund are water sales and service charges.
- **The Potable Water System Development Impact Fee Fund** provides funding for expansion related projects for new growth. The source of revenue for this fund is potable water development impact fees. These fees are paid at the time a meter is purchased. The funds collected ensure that system expansion is paid for by new development.
- **The Alternative Water Resources Development Impact Fee Fund** provides funding for the development of renewable sources of water supply, specifically reclaimed water and CAP water and any infrastructure required for delivery of those resources. The sources of revenues for this fund are impact fees and Groundwater Preservation Fees (GPF). Alternative water resources development impact fees are paid by new development for that portion of renewable water supply and infrastructure attributed to new growth. The GPF is paid by existing customers for their portion of renewable water supply and related infrastructure.

The following table contains the actual revenue received for FY 2009-10 for all funds within the Utility:

Revenue Source	Amount Received
Potable Water Sales:	
Residential	\$ 7,834,911
Commercial	\$ 877,248
Irrigation	\$ 1,112,793
Turf	\$ 361,579
Construction	\$ 229,711
Reclaimed Water Sales:	
Turf	\$ 1,282,471
Construction	\$ 720
Irrigation	\$ 14,240
Misc. Service Fees & Charges	\$ 525,227
Total Enterprise Fund	\$12,238,900
Groundwater Preservation Fees	\$ 1,680,542
Alternative Water Resources Development Impact Fees	\$ 475,973
Development Impact Fees Potable Water System	\$ 293,607
Interest Income	\$ 70,329
Total for FY 2009-10	\$14,759,351

Although water sales were down, revenues from water sales and groundwater preservation fees during FY 2009-10 slightly increased due to the rate increase that went into effect in December 2009. Revenues from both impact fee funds decreased in FY 2009-10 due to a decrease in growth and new metered connections.

The budgeted expenditures (excluding depreciation and amortization) for the Enterprise Fund are compared to the actual expenditures for FY 2009-10 in the following table:

Expenditures	Budget FY 2009-10	Actual Spent FY 2009-10	Difference Under (Over)	Percentage Under (Over)
Personnel	\$ 2,489,195	\$ 2,400,827	\$ 88,368	3.6%
O&M	\$ 4,755,796	\$ 4,658,323	\$ 97,473	2.1%
Capital	\$ 6,309,500	\$ 1,654,599	\$ 4,654,901	73.8%
Totals	\$13,554,491	\$ 8,713,749	\$ 4,840,742	35.7%

The Utility's capital expenditures were under budget as a result of delays in construction of potable water system projects.

The following table is a summary of the outstanding debt and debt service payments (principal and interest) for all funds within the Utility:

Fund	Bond Series or Date of Loan	Outstanding Debt As of 6/30/10	Debt Service Payments FY 2009-10
Enterprise	2003	\$16,555,250	\$ 1,656,435
Enterprise	2005	\$ 1,765,500	\$ 150,659
Enterprise	2007	\$16,019,750	\$ 1,150,078
Enterprise (WIFA)	2009	\$ 1,062,307	\$ 141,624
AWRDIF	2003	\$10,770,000	\$ 879,018
AWRDIF (WIFA)	2008	\$ 4,154,412	\$ 320,044
AWRDIF (CAP)	2006	\$ 966,931	\$ 521,494
PWSDIF	2003	\$ 7,195,000	\$ 638,371
Totals		\$58,489,150	\$ 5,457,723

In the past, the Utility has paid off older bonds with higher interest rates and refinanced at lower interest rates to reduce outstanding debt and annual debt service payments. The Water Utility and Finance Department will continue to review bonds and debt service to look for opportunities to reduce debt obligations when it is fiscally sound and there is a financial benefit. By reducing outstanding debt, it will be easier to maintain the required 1.30 debt service coverage requirement which may result in smaller rate increases.

WATER RATES AND DEVELOPMENT FEES

The functions and duties of the Commission include reviewing and developing recommendations for water revenue requirements, water rates and fee structures. The Commission annually evaluates staff recommendations based on a water rates analysis to assure the recommendations meet Town policies and bond covenants. The Utility bases its financial analysis on the American Water Works Association (AWWA) Cash Needs Approach.

In 2010, the Water Utility Commission recommended a Preferred Financial Scenario to Council with a proposed increase in the Groundwater Preservation Fees (GPF). Town Council approved the GPF increase on November 17, 2010 by Resolution (R) 10-82 with the determination that the increase would not become effective until October 1, 2011. The GPF for potable water use will increase by \$0.20 from \$0.75 to \$0.95 per 1,000 gallons. For reclaimed water use, the GPF will increase by \$0.10 from \$0.40 to \$0.50 per 1,000 gallons. The average residential customer using 8,000 gallons of water will experience an increase of 4.1% or approximately \$1.60 per month.

Other service fees and charges that were increased include new service establishment fees and new meter installation fees. The increase in both of these fees became effective on December 18, 2010. All current water rates, fees and charges are available to view on the Town website at

http://www.ovalleyaz.gov/Town_Government/WaterUtility/Billing_and_Customer_Services/Water_Rates_and_Fees.htm

The Alternative Water Resources Development Impact Fees were last increased in December 2008 and the Potable Water System Development Impact Fees were increased in September 2007. The current impact fees are also on the Water Utility website and the Town website in the Town Code – Chapter 15 Water Code. Each year, on or before September 28th, an accounting of the water development impact fees is presented in a report required by Arizona Statute.

In accordance with Mayor and Council Policy, a Water Rates Analysis Report will be prepared during 2011 that contains information on the three funds that comprise the Oro Valley Water Utility. Each fund is individually analyzed with regard to revenue and revenue requirements. It is anticipated that the Water Rates Analysis Report will be completed in September of 2011. If a Notice of Intent is approved by Council to increase water rates or fees, a public hearing date will be set to review and consider the recommended increases and hear comments from residents and customers.



TOWN OF ORO VALLEY WATER UTILITY COMMISSION

2011 ANNUAL REPORT

APPENDIX A

UTILITY STATISTICS



TOWN OF ORO VALLEY WATER UTILITY COMMISSION

2011 ANNUAL REPORT

APPENDIX B WATER QUALITY



TOWN OF ORO VALLEY WATER UTILITY COMMISSION

2011 ANNUAL REPORT

APPENDIX C

STATIC WATER LEVEL MEASUREMENTS



TOWN OF ORO VALLEY WATER UTILITY COMMISSION

2011 ANNUAL REPORT

APPENDIX D

FIVE - YEAR CAPITAL IMPROVEMENT PROGRAM



TOWN OF ORO VALLEY WATER UTILITY COMMISSION

2011 ANNUAL REPORT

APPENDIX E

LIST OF ACRONYMS

LIST OF ACRONYMS

ACH	Automated Clearing House (automatic payment program)
ADEQ	Arizona Department of Environmental Quality
ADWR	Arizona Department of Water Resources
AF	Acre-Feet
AWWA	American Water Works Association
AZWARN	Arizona Water and Wastewater Agency Response Network
BCP	Business Continuity Plan
CAGR	Central Arizona Groundwater Replenishment District
CAP	Central Arizona Project
CAWCD	Central Arizona Water Conservation District
CPP	Capital Projects Program
CSWSA	Countryside Water Service Area
CY	Calendar Year
DAWS	Designation of Assured Water Supply
EPA	Environmental Protection Agency
ERP	Emergency Response Plan
FEMA	Federal Emergency Management Act
FY	Fiscal Year
GAP	Groundwater Action Plan
GIS	Geographic Information System
GPF	Groundwater Preservation Fee
GPM	Gallons Per Minute
IGA	Intergovernmental Agreement
IOC	Inorganic Compound
ISAC	Information Sharing & Analysis Center
MGD	Million Gallons Per Day
MCL	Maximum Contaminate Level
MRP	Meter Replacement Program
MTP	Meter Testing Program
OVWSA	Oro Valley Water Service Area
pCi/L	Picocuries Per Liter
PDEQ	Pima County Department of Environmental Quality
POE	Point Of Entry
ppb	Parts Per Billion
ppm	Parts Per Million
SCADA	Supervisory Control And Data Acquisition
SOC	Synthetic Organic Compound
SSF/RO	Slow Sand Filtration / Reverse Osmosis
TCE	Trichloroethylene
TTHM	Total Trihalomethanes
VA	Vulnerability Assessment
VOC	Volatile Organic Compound
Water CASA	Water Conservation Alliance of Southern Arizona
WOW	Water on the Web



Town Council Regular Session

Item # F.

Meeting Date: 04/06/2011

Submitted By: Betty Dickens, Human Resources

Department: Human Resources

SUBJECT:

Council approval of market adjustments for two job classifications both lagging by greater than 25% of market

RECOMMENDATION:

Staff recommends an adjustment to bring the Economic Development Manager and Court Administrator job classifications to minimum market range which have been lagging over multiple years now.

EXECUTIVE SUMMARY:

The Town's pay system provides a method to evaluate jobs based on internal equity, while also recognizing the relevant labor market as a determining factor in paying competitively.

The Human Resources Department was aware of lagging pay of two positions, a condition in one instance for three years, and conducted a market survey to bring current information to the Council. The positions that are extremely lagging in equitable, market compensation are the Economic Development Manager and Court Administrator positions. Survey results indicate that the Economic Development Manager position is lagging in the market by more than 39% and the Court Administrator position is lagging by more than 25%.

BACKGROUND OR DETAILED INFORMATION:

Town Policy 6 - Classification and Town Policy 12 - Compensation, addresses the goal of recommending equitable labor market adjustments based on surveys that help pinpoint whether a position is leading, within or lagging in compensation.

FISCAL IMPACT:

Approval to bring the Economic Development Manager position to an equitable market range will result in a 26.7% or \$20,263 increase by raising the incumbent to the base or minimum salary of the market rate. Approval to bring the Court Administrator position to market range will result in a 3.2% or \$2,079 salary increase.

SUGGESTED MOTION:

I MOVE to (approve, deny, modify) the recommended market adjustment job classifications minimum, midpoint and maximum salary ranges for the Economic Development Manager and Court Administrator job classifications.



Town Council Regular Session

Item # G.

Meeting Date: 04/06/2011

Requested by: Mark Moore

Submitted By:

Mark Moore, Water

Department: Water

SUBJECT:

Resolution No. (R)11-18 Authorizing and Approving a Line Extension Agreement for Construction of Protected Water Facilities Under Private Contract Between the Town of Oro Valley and The Shoppes at Oracle Road, LLC

RECOMMENDATION:

Staff recommends approval of Resolution No. (R)11-18. This resolution authorizes the Water Utility Director to sign and execute the agreement.

EXECUTIVE SUMMARY:

This resolution is for the approval of a Protected Water Facilities Line Extension Agreement for The Shoppes at Oracle off-site water main extension.

The water facilities described in the agreement are transferred to the Town upon execution of the document. Once constructed and paid for by the developer, the developer will be reimbursed by nearby property owners that are served by this pipeline. The Water Utility administers the agreement but does not pay for any construction costs and/or reimbursement. This will be a 16-inch and 12-inch PVC pipeline constructed to OVWU specifications under an approved water plan and in accordance with the Protected Water Facilities Line Extension Agreement.

This particular area is served by Oro Valley Water Utility within the Tucson Water Service Area under an intergovernmental agreement with the City of Tucson dated May 10, 2004 that was approved by Oro Valley Town Council Resolution (R)04-34. The term of this intergovernmental agreement was recently extended until May 10, 2015 by TOV Resolution (R)10-37 on June 16, 2010.

BACKGROUND OR DETAILED INFORMATION:

Background

Pursuant to section 15-12-4 of the Oro Valley Town Code, The Shoppes at Oracle, LLC. may protect water mains they construct so that they will be reimbursed if a non-participating party wishes to connect to them within 10 years of the execution of the Protected Water Facilities Line Extension Agreement. The Water Utility administers the Protected Main Line Extension Agreement by collecting funds from any adjacent property owner wishing to connect to the main described in the agreement and then disbursing those funds to The Shoppes at Oracle, LLC. The Water Utility does not and will not pay for any of the construction or reimbursement for this pipeline extension. This will be a 16-inch and 12-inch PVC pipeline constructed to OVWU specifications under an approved water plan and in accordance with the Protected Water Facilities Line Extension Agreement. Once the line is constructed and determined to be complete, ownership of the pipeline will be conveyed to the Water Utility under the LEA at no cost to the Water Utility.

The developer has signed one Line Extension Agreement that does not have protected water facilities for on-site pipelines and facilities that will be conveyed to the Water Utility.

Concept and Basis for Protected Main Line Extension Agreements

The Line Extension Agreement (LEA) allows a developer to seek reimbursement for newly constructed pipelines or facilities. The LEA also provides for the transfer of those facilities to the Town through the Water Utility. This is a standard procedure for transferring assets to the Water Utility and common throughout the water industry. The LEA protects a developer for a ten-year period if a nearby property along the frontage where the pipeline is constructed connects to the pipeline. These agreements apply to both residential and commercial developments in essentially the same manner and in accordance with the Town Code. The amount reimbursed to the developer by nearby or adjacent property owners is based on the amount of property frontage that could be served along the pipeline route. The agreement does not protect against connections made at the end of the pipeline.

History

This property is located within the Tucson Water Service Area located within the Town Boundaries. However, a portion of the commercial area along Oracle Road where commercial fire flow cannot be met by Tucson Water is served by the Oro Valley Water Utility through an intergovernmental agreement with the City of Tucson dated May 10, 2004. This IGA was approved by Resolution (R)04-34 and recently extended until May 10, of 2015 by Resolution (R)10-37 on June 16, 2010.

This IGA was approved to facilitate and allow for commercial development along Oracle Road within Town boundaries and to provide fire flows for adequate fire protection. Currently, Tucson Water can only provide adequate flow and pressure for their existing residential customers and some limited future development. The Oro Valley Water Utility serves those properties where Tucson Water cannot meet required fire flows.

In order to facilitate this process the Town Council authorized the Water Utility to construct approximately one-half mile of pipeline along Oracle Road from Calle Concordia to Hardy. The contract was approved by Council on March 3, 2004 and construction was completed in November, 2004 at a cost of \$721,000. This was an expansion related pipeline project to convey water from our water service area to this area. This project was part of the Water Master Plan and also approved through the Water utility Budget. Impact fees were and are collected to provide revenues for the Water Utility to pay for this expansion related project. This pipeline has and will continue to provide water to the commercial and other areas along Oracle Road in the area for which Tucson Water cannot provide adequate water service and fire flows. Any further pipeline extensions along Oracle Road in this area will be built, extended and paid for by developers.

FISCAL IMPACT:

There is no fiscal impact to the Water Utility for of the design or construction of this project or reimbursement under the agreement.

There is minor fiscal impact due to Staff time to administer this agreement. This is estimated at 10 person-hours or less per year after the agreement is approved.

SUGGESTED MOTION:

I MOVE to (adopt, deny) Resolution No. (R)11-18, Authorizing and Approving a Line Extension Agreement for Construction of Protected Water Facilities Under Private Contract Between the Town of Oro Valley and The Shoppes at Oracle Road, LLC.

Attachments

Reso 11-18

Exhibit A - Line Extension Agreement

RESOLUTION NO. (R)11-18

**A RESOLUTION OF THE TOWN OF ORO VALLEY, ARIZONA,
AUTHORIZING AND APPROVING A LINE EXTENSION
AGREEMENT FOR CONSTRUCTION OF PROTECTED WATER
FACILITIES UNDER PRIVATE CONTRACT BETWEEN THE TOWN
OF ORO VALLEY AND THE SHOPPES AT ORACLE ROAD, LLC**

WHEREAS, the Town of Oro Valley is a municipal corporation within the State of Arizona and is vested with all the rights, privileges and benefits and is entitled to the immunities and exemptions granted to municipalities and political subdivisions under the laws of the State of Arizona; and

WHEREAS, pursuant to ARS § 9-511, *et seq.*, the Town has the requisite statutory authority to acquire, own and maintain a water utility for the benefit of the residents within and without the Town's corporate boundaries; and

WHEREAS, the Shoppes at Oracle Road, LLC is the owner of property located in a portion of Section 25, Township 12 South, Range 13 East; and

WHEREAS, pursuant to Oro Valley Town Code Section 15-12-3, the Town is authorized to enter into Line Extension Agreements for construction of protected water facilities; and

WHEREAS, the Shoppes at Oracle Road, LLC desires to enter into a Line Extension Agreement with the Town of Oro Valley for the construction of protected water facilities to provide service to the project known as Offsite 16-inch Water Main to serve the Shoppes at Oracle Road under private contract, attached hereto as Exhibit "A" and incorporated herein by this reference; and

WHEREAS, the Line Extension Agreement for construction of the protected water facilities is found to be mutually beneficial to both parties.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Oro Valley, Arizona, that the Line Extension Agreement for construction of the protected water facilities between the Town of Oro Valley and the Shoppes at Oracle Road, LLC, attached hereto as Exhibit "A" and incorporated herein by this reference, is hereby authorized and approved.

BE IT FURTHER RESOLVED that the Mayor, the Water Utility Director and any other administrative officials of the Town of Oro Valley are hereby authorized to take such steps as are necessary to execute and implement the terms of the Line Extension Agreement.

PASSED AND ADOPTED by the Mayor and Town Council of the Town of Oro Valley, Arizona, this 6th day of April, 2011.

TOWN OF ORO VALLEY

Dr. Satish I. Hiremath, Mayor

ATTEST:

APPROVED AS TO FORM:

Julie K. Bower, Town Clerk

Tobin Rosen, Town Attorney

Date: _____

Date: _____

EXHIBIT “A”

**TOWN OF ORO VALLEY
LINE EXTENSION AGREEMENT
FOR CONSTRUCTION OF PROTECTED WATER FACILITIES
UNDER PRIVATE CONTRACT**

THIS AGREEMENT, authorized by Chapter 15 of the Oro Valley Town Code is made and entered into this 11th day of October, 2010, by and between the Town of Oro Valley (the "Town") and Shoppes At Oracle Rd LLC (the "Applicant") for the construction of Protected Water Facilities.

RECITALS

WITNESSETH:

WHEREAS, the Applicant desires to install Protected Water Facilities to provide service to the project to be known as The Shoppes at Oracle Road 16 inch Offsite water main

located on the parcel of land legally described in Exhibit "A", hereinafter called the "Subject Property;" and

WHEREAS, the required plans, specifications, and materials for the Protected Water Facilities have been approved by the Town; and

WHEREAS, the Applicant understands that the project under this Agreement is not eligible for any credits against any impact fees established and collected by the Town for the cost of constructing the necessary onsite and/or offsite water infrastructure necessary to provide domestic and fire protection water services to the development. Impact fees are due and payable at the time water meter(s) are purchased.

WHEREAS, the Applicant desires that the Town take possession of, operate and service the Protected Water Facilities; and

WHEREAS, the Town is willing to accept the Protected Water Facilities and permit them to be connected to the Town Water System provided the Protected Water Facilities meet Town standards and the work is done in accordance with Town requirements; and

WHEREAS, the estimated cost of the Water Facilities shall be Three hundred thirty seven thousand eight hundred forty and zero cent (\$ 337,840.00).

NOW THEREFORE, in consideration of the matters and conditions set forth in this Agreement, it is hereby agreed as follows:

COVENANTS

I. DEFINITIONS, FOR THE PURPOSE OF THIS AGREEMENT ONLY

- A. Service Connection means action taken by duly authorized Town personnel resulting in actual delivery of water service to specific premises.
- B. Water Facilities means those Water Facilities, OV Plan No. 12-05-17W, to be constructed under this Agreement for the purpose of providing water service and fire protection to the Subject Property as outlined in Exhibit "A". The Water Facilities shall be outlined within Applicant's Water Facilities Construction cost estimate, attached hereto as Exhibit "B", and incorporated herein by this reference. Exhibit "A" shall show the approximate location of the Water Facilities easement.
- C. Water Infrastructure means any and all permanent or semi-permanent machinery, equipment, water pipes and water mains installed for the purpose of facilitating the delivery of water to customers of Oro Valley's Water Utility.
- D. Protected Facility means any water facility installed by private contract in such a manner as to provide water service to any property adjacent to the water facility that did not participate in the costs of the facility
- E. Final Acceptance means that all construction has been completed and inspected, and that all requirements to complete and sign off on this Agreement shall be satisfied pursuant to the Final Acceptance of the Water Facilities, attached hereto as Exhibit "F", and signed by both parties. Once the project is complete, Applicant shall submit a signed copy of Exhibit "F" within thirty (30) days to the Water Utility.

II. GENERAL

- A. Upon approval by the Town and at Applicant's own expense, Applicant shall design, and upon approval by the Town, install, at Applicant's own expense, the Protected Water Facilities as set forth in the Water Facilities Construction Plan, Oro Valley Plan No. 12-05-17W, a true and correct copy of which is on file with the Oro Valley Water Utility. By this reference, the Protected Water Facilities shall collectively refer to those facilities set forth in Oro Valley Plan No. 12-05-17W.
- B. Calculation for Construction of Facilities - this calculation shall be based on current construction costs. The calculation for construction of any protected facilities shall be determined by the Utility Director based on the specific facility and the benefit realized by non-participating parties.

- C. Water Facilities shall be constructed by a contractor properly licensed by the State of Arizona and all proper governmental authorities for the type of work specified.
- D. Before any service connections are made to the Protected Water Facilities or the Town's water system, all fees which are then due shall be paid to the Town pursuant to this Agreement.
- E. No water meter shall be sold and /or installed until the following have been met:
 - 1. A "Certificate of Approval of Construction" has been issued by Pima County Department of Environmental Quality and received by the Oro Valley Water Utility.
 - 2. The Water Facilities as set for in the Water Facilities Construction Plan, Oro Valley Plan No. 12-05-17W have been connected to the existing water system.
 - 3. A building permit has been issued by the Town of Oro Valley, Pima County, or any other appropriate jurisdictional agency.
 - 4. Development impact fees, meter fees, plan review fees and inspection fees have been paid in full.
- F. Once the provision of Section II.(E)(2) has been satisfied, the Town of Oro Valley Water Utility shall be the sole entity to operate and maintain the system as set forth in the Water Facilities Construction Plan, Oro Valley Plan No. 12-05-17W. The Applicant shall be responsible for any and all construction activities including, but not limited to, Blue Staking until the project has been finally accepted per Exhibit "F" herein. Until the project is finally accepted in accordance with Exhibit "F", the Applicant shall be responsible for repairing any leaks and/or damages to the existing system stemming from the work performed by the Applicant on the Water Facilities as set forth in the Water Facilities Construction Plan, Oro Valley Plan No. 12-05-17W. In the event the Applicant does not perform the repair work for any leaks and/or damages, the Water Utility shall make the repairs and the Applicant shall be responsible for all costs incurred for the repairs by the Water Utility.
- G. The amount of the Assurances required for the Water Facilities to be constructed under this Agreement and specified in Chapter 26, Section 26.6 of the Oro Valley Town Code shall remain in affect throughout the two (2) year warranty period and will not be released by the Town until after the warranty period.

III. APPLICABLE FEES

The Town will require certain applicable fees and charges to be paid pursuant to Oro Valley Town Code Chapter 15 and other applicable Arizona State law as amended from time to time, prior to providing water service under this Agreement. The Town will take all of the

necessary and legal steps to protect its interest, including refusal to provide water service, if Applicant fails to pay fees when due.

IV. ENGINEERING AND INSPECTION

- A. Applicant shall employ a Civil Engineer registered in the State of Arizona to design the system and implement the design. Applicant will ensure that an Engineer's Certificate of Completion, for the purpose of obtaining an Approval of Construction from the Pima County Department of Environmental Quality, are both completed for the project prior to any water being delivered through the improvements. *Title 18, Environmental Quality, Chapter 4, Department of Environmental Quality, Safe Drinking Water.*
- B. Any inspector authorized by the Town shall have full inspection authority over the work to be performed under this Agreement. The Applicant shall furnish the Town Inspector with reasonable access to the Water Facilities for obtaining full information concerning the work. The work shall be subject to Town inspection at all times. Defective work shall be corrected in a manner satisfactory to the Town Inspector. Inspection by the Town does not guarantee the safety or engineering soundness of plans prepared by the Applicant's engineer.
- C. In the event that Applicant requests and the Town elects to provide a Town Inspection outside of the normal 40 hours in a work period, or on a Saturday, Sunday or legal holiday as defined in Arizona Revised Statutes, Title 1, the Applicant shall compensate the Town for any additional salaries, expenses or employee benefits relating to such overtime or holiday work. Additional inspection costs will be billed to the Applicant. A normal work period shall be defined as 40 hours in a seven (7) day work week, usually worked on an eight (8) hour day, five (5) day basis, commencing on Monday and ending on Friday, continuing in seven (7) day increments. Nothing in this paragraph shall require the Town to provide inspection on weekends and holidays. If the Town declines to provide inspection on weekends and holidays, Applicant shall not have a right to damages against the Town as the result of Town's decision not to perform such weekend and holiday inspections.

V. PRE-CONSTRUCTION AND CONSTRUCTION PROCEDURE

- A. The Applicant shall submit a written request to begin construction of the Protected Water Facilities to the Town within five (5) working days prior to the time work is to commence.
- B. No work shall commence until the Town has issued a Notice to Proceed which will specify the starting date and a reasonable time for completion.
- C. Applicant shall provide Town with an accurate, written schedule of construction, which shall be updated in a manner sufficient to provide Town the ability to schedule Town inspection personnel.

- D. Applicant shall submit material certification at the pre-construction meeting. Materials used in the construction shall be available for sampling and testing prior to being used in construction of the Protected Water Facilities. Materials that fail to meet Town specifications shall not be used in construction of the Protected Water Facilities as outlined in Exhibit "B".
- E. The Applicant shall, at Applicant's expense, obtain all necessary permits and licenses for work permitted herein, pay all fees and comply with all laws, ordinances and regulations relating to the work, public health and safety of Applicant's Contractors and employees.
- F. The Applicant/Contractor shall apply to the Town for a construction water service. All construction water will be metered with an appropriate size water meter and back-flow prevention device. The Town shall install the water meter and backflow device.
- G. The work shall commence within five (5) days of the date specified in the Notice to Proceed.
- H. The Applicant, or Applicant's designated agent, shall be present at all times during performance of the work. The name of the designated agent and the contractor performing the work shall be furnished to the Town before commencement of the work. Instructions given to the designated agent on the work site shall be deemed to have been given to the Applicant.
- I. The Applicant shall employ only competent and efficient laborers, mechanics or artisans on the project and the Applicant agrees to perform the work diligently to complete the work on or before the completion date given in the Notice to Proceed.
- J. The Applicant shall identify and locate all water valves prior to paving, and set valve boxes to final grade after paving.
- K. The Applicant shall, at Applicant's expense, make any and all alterations to the existing water system, either on-site or off-site, necessitated by paving, drainage or other improvements caused by the development.
- L. The Applicant shall require all contractors and/or subcontractors to comply with all safety requirements of the Occupational Safety and Health Act as may be amended and as implemented by the State of Arizona. The Applicant or Applicant's contractor shall be solely responsible for all fines or other penalties provided for by law for any violations of the Act.
- M. In accordance with the Oro Valley Town Code and policies relating to the operation of domestic water utility companies, a true and complete copy of the Certificate of Approval to Construct the work issued by the Arizona Department

of Environmental Quality or the Pima County Department of Environmental Quality is attached as Exhibit "C", and incorporated herein by this reference.

VI. DESIGNATION AS A PROTECTED FACILITY

Protected Water Facilities shall be designated, and the cost calculated and refunded to Applicant, pursuant to Chapter 15 of the Oro Valley Town Code as may be amended from time to time, attached as Exhibit D, and incorporated herein by this reference.

VII. DEDICATION

- A. The Applicant grants, bargains, sells, conveys, transfers and delivers the Protected Water Facilities as described in Exhibit "A" to the Town free and clear of all liens, claims, charges or encumbrances by the time of acceptance of the Protected Water Facilities by the Town.
- B. The Applicant agrees that the project under this Agreement is not eligible for any credits against any impact fees established and collected by the Town for the cost of constructing the necessary onsite and/or offsite water infrastructure necessary to provide domestic and fire protection water services to the development. Impact fees are due and payable at the time water meter(s) are purchased.
- C. The Water Facilities to be dedicated to the Town shall have an easement extending a minimum of 7.5 feet on either side of the center of, and the full length of, the constructed water utility line.
- D. The Applicant guarantees the Protected Water Facilities to be free from all failures and/or defects due to workmanship and or materials for a period of two (2) years from the Town's final acceptance date.
- E. The Applicant shall not construct any utility, building or other improvement that would interfere with the operation or maintenance of the Town's Protected Water Facilities.
- F. The Applicant further guarantees that all service lines, meters and meter boxes will be to finish grade and the Applicant will remain responsible for raising/lowering of said services as required until the area described has been accepted as complete by the Town.
- G. Upon issuance of the certificate for "Approval of Construction" from Pima County Department of Environmental Quality (ADEQ) and after final acceptance of the Water Facilities is granted by the Town, attached hereto as Exhibit "F", the Town's Water Utility shall begin to operate and maintain the Water Facilities. The Town shall accept title to and take possession of the Water Facilities described in Exhibit "A" at such time that they are connected to the existing Town Water Facility.

- H. The Parties agree that all requirements to complete and sign off on this LEA shall be satisfied pursuant to the Final Acceptance of Water Facilities, attached hereto as Exhibit "F", and signed by both Parties before the two (2) year warranty period shall begin.
- I. The amount of the Assurances required for the Water Facilities to be constructed under this Agreement and specified in Chapter 26, Section 26.6 of the Oro Valley Town Code shall remain in affect throughout the two (2) year warranty period and will not be released by the Town until after the warranty period.

VIII. INDEMNIFICATION

Applicant agrees to indemnify, defend and hold the Town, its Mayor and Council, the Town Water Utility Director, appointed boards and commissions, officials, officers, employees and the Town's insurance carriers, individually and collectively, harmless from all losses, claims, suits, demands, expenses, subrogations, attorney's fees, or actions of any nature resulting from the actions of Applicant or Applicant's contractor or any subcontractor employed by Applicant (including bodily injury and death) or damages to any property or any other losses, claims, suits, demands, and/or expenses, arising or alleged to have arisen out of the work to be performed, except any such injury or damages arising out of the sole negligence of the Town, its officers, agents or employees. The amount and type of insurance coverage carried by Applicant will in no way be construed as limiting the scope of indemnity in this paragraph.

IX. ACCURACY OF THE RECITALS

The parties hereby acknowledge the accuracy of the Recitals, which are incorporated herein by this reference.

X. NOTICES

All notices and communications required by this Agreement shall be in writing and shall be given by personal delivery or mailed first class, registered or certified mail, postage prepaid, and shall be deemed received upon the earlier of actual delivery or one hundred twenty (120) hours after deposit in the United States Mail. Such notices and communications should be sent to the following designated representatives of the undersigned parties:

If to the APPLICANT: Shoppes At Oracle Rd LLC
6360 N Placita De Tia Ro
Tucson, AZ 85750

If to TOWN OF ORO VALLEY: Water Utility Director
Town of Oro Valley
11000 North La Cañada Drive
Oro Valley, Arizona 85737-7016

CC: Town Attorney
Town of Oro Valley
11000 North La Cañada Drive
Oro Valley, Arizona 85737-7016

XI. ATTORNEY FEES

Should the Town bring any legal or equitable action for the purpose of protecting or enforcing its rights under this Agreement, the Town shall recover in addition to all other relief, its reasonable attorney fees and court costs to be fixed by the court.

XIII. CANCELLATION

Under A.R.S. Section 38-511, as amended, the Town may cancel any contract it is a party to within three (3) years after its execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract on behalf of the Town is, at any time while the contract or any extension thereof is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract. In the event the Town elects to exercise its rights under A.R.S. Section 38-511, as amended, the Town agrees to immediately give notice to Applicant.

XIV. COMPLIANCE WITH ALL LAWS

The parties to this Agreement shall comply with all federal, state and local laws, rules, regulations, standards and Executive Orders, without limitation to those designated within this Agreement. The laws and regulations of the State of Arizona shall govern the rights of the parties, the performance of this Agreement and any disputes thereunder.

XV. SEVERABILITY

If any provision of this Agreement or the application thereof to any person or circumstance shall be held by a court to be unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

XVI. AMENDMENT

This Agreement shall not be amended except by written instrument mutually agreed upon and executed by the parties.

XVII. LEGAL JURISDICTION

Jurisdiction for any legal dispute stemming from the performance of the terms of this Agreement shall be limited to courts of competent jurisdiction within Pima County, Arizona. This clause in no way limits the option of the parties' to resolve potential disputes through alternative dispute resolution methods.

XVIII. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon the successors and assigns of each of the parties hereto. No assignment shall relieve either party of its obligations except an assignment by Applicant in connection with the transfer of title to property to the Town. Such transfer shall relieve Applicant of its obligations provided such transferee agrees to be fully bound by the provisions hereof.

This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties and Applicant may not assign this Agreement without prior written consent of the Town.

XIX. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties with respect to the matters covered by it and supersedes any prior understanding or agreements, oral or written, with respect thereto. The parties shall not be bound by any understanding, agreement, promise or representation, whether expressed or implied, which is not specified in this Agreement.

IN WITNESS WHEREOF, the Applicant has executed or has caused this instrument to be executed by its proper officers hereunto duly authorized, and the Town has caused this instrument to be executed by its proper officers thereunto duly authorized, all as of this day and year first above written.

"TOWN"
TOWN OF ORO VALLEY

Philip C. Saletta, Water Utility Director

ATTEST:

APPROVED AS TO FORM:

Julie K. Bower, Town Clerk

Tobin Rosen, Town Attorney

Date: _____

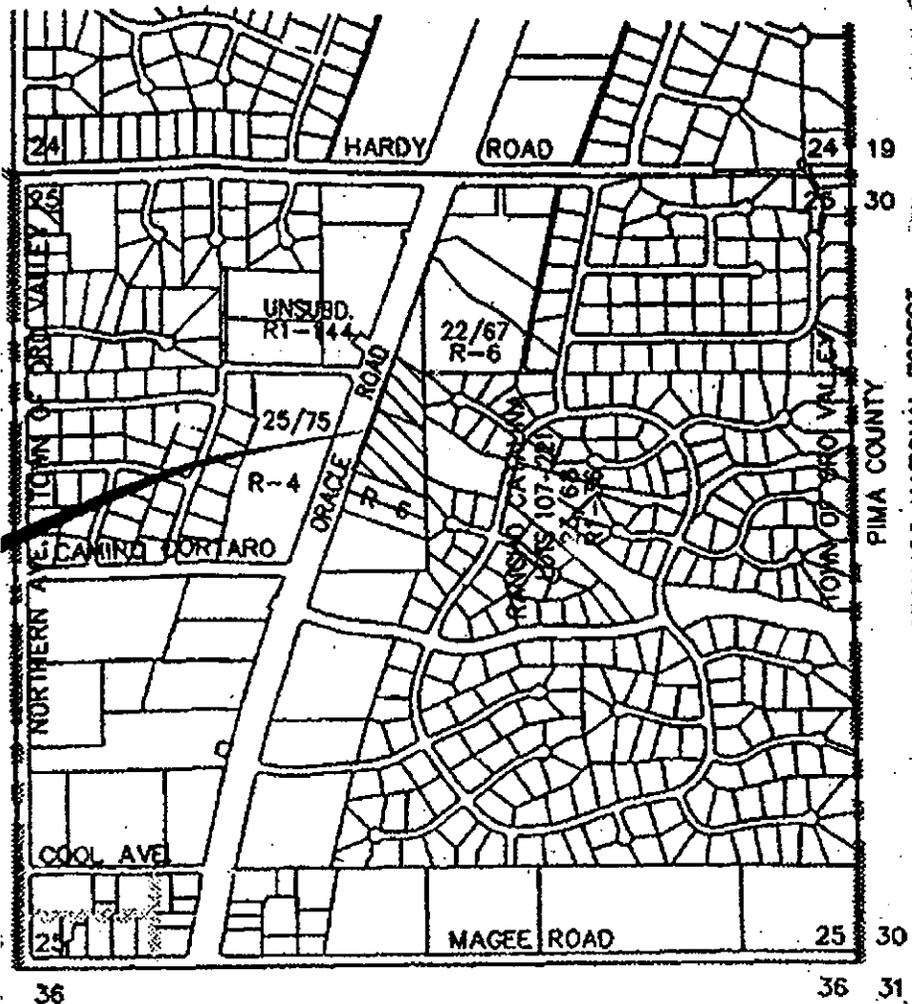
Date: _____

EXHIBITS TO LINE EXTENSION AGREEMENT

- A** Legal description of the Subject Property
- B** Water Facilities Cost Estimate
- C** Certificate of Approval to Construct
- D.** Chapter 15, Article 15-12-4 of the Oro Valley Town Code
- E.** Protected Facilities Schedule
- F.** Final Acceptance of Water Facilities

EXHIBIT "A"

LEGAL DESCRIPTION/MAP OF SUBJECT PROPERTY



LOCATION MAP

SECTION 25, T-12-S., R-13-E
 F ORO VALLEY, PIMA COUNTY, ARIZONA

SCALE: 3" = 1 MILE

LEGEND

PLAN No. OV12-05-17W

EXHIBIT "B"

WATER FACILITIES COST ESTIMATE

Associated Construction Services, LLC

Designs

Reports

Inspections

Offsite Water Facilities Cost Estimate Project: The Shoppes At Oracle Rd OV Plan No. 12-05-17W

COST SUMMARY:

1. Offsite Main Water Installation 1520 feet of 16" D 580 feet of 12" D.	\$223,870.00
2. Traffic Control	\$9,000.00
3. Slurry @ Northern Driveways	\$27,500.00
4. Clearing and Demolition	\$5,000.00
5. Milling and Paving	\$36,970.00
6. Concrete	\$15,500.00
7. Hydro Seeding and Final Grading	\$16,500.00
8. Survey	\$3,500.00
Estimate Total	\$337,840.00


Ahmad Zarifi, P.E

2/4/11
Date

EXHIBIT "C"

CERTIFICATE OF APPROVAL TO CONSTRUCT

PIMA COUNTY DEPARTMENT OF ENVIRONMENTAL QUALITY
TECHNICAL SERVICES DIVISION
33 N. Stone Ave., Suite 700, Tucson, Arizona 85701-1429
Telephone: (520) 243-7400

CERTIFICATE OF APPROVAL TO CONSTRUCT
Water Facilities

System Name: ORO VALLEY WATER UTILITY System No.: 10 164
Project Owner: TOWN OF ORO VALLEY WATER UTILITY, ENGINEERING DEPARTMENT
Address: 11000 N. LA CANADA BLVD., ORO VALLEY, ARIZONA 85737
Location: T-12-S, R-13-E, SECTION 25 Latitude: 32.214136 Longitude: -110.581615 County: Pima
Description: OFF-SITE WATER EXTENSION TO SERVE THE SHOPPES AT ORACLE ROAD

Approval to construct the above, described facilities as represented in the approved plan on file with the Pima County Department of Environmental Quality is hereby given subject to the following provisions:

AFTER COMPLETION OF CONSTRUCTION, A PROFESSIONAL ENGINEER, REGISTERED IN THE STATE OF ARIZONA SHALL COMPLETE A FINAL INSPECTION AND SUBMIT AN ENGINEER'S CERTIFICATE OF COMPLETION, ACCURATE "AS BUILT" PLANS, PRESSURE TEST RESULTS, CHLORINATION RESULTS AND MICROBIOLOGICAL TESTING RESULTS TO PIMA COUNTY DEPARTMENT OF ENVIRONMENTAL QUALITY IN ORDER TO OBTAIN AN APPROVAL OF CONSTRUCTION. THOSE PLANS MUST BE CLEAR BLUELINE PRINTS SUITABLE FOR MICROFILMING AND SHALL CLEARLY AND ADEQUATELY REPRESENT THE FACILITIES AS THEY ARE CONSTRUCTED.

The State law, A.R.S. 49-353, requires that construction of the project must be in accordance with the rules and regulations of the Arizona Department of Environmental Quality and the Pima County Department of Environmental Quality. For the purposes of Licensing Time Frames, under AAC Title 18, Chapter 1, Article 5, this Approval to Construct suspends the licensing time frames and constitutes a Notice of Deficiencies. According to AAC R18-9-A301(D)(f), the applicant, after completion of construction of the facility specified herein, is required to submit all applicable documents. The submittal of all the required documents restarts the licensing time frames. Construction shall conform with the approved design documents.

If this project includes trenching, land stripping, earthmoving or road construction, an air quality activity permit may be required pursuant to P. C. C. Title 17.12.470. For inquiries, regarding air quality activity permits, please call (520) 243-7400.

If construction has not started within one year, this certificate will be void and a written extension of time shall be required within 90 days of the expiration of the approval date.

The approved plans are available for pick up at PDEQ's office, between 8:00 A.M. and 4:25 P.M.

Date Approved: July 8, 2010

URSULA KRAMER, P.E.
DIRECTOR

cc: P-File No. PO15110
P-ADEQ, SRO
3P-Oro Valley Water Utility (OV12-05-17W)
Owner: Shoppes at Oracle Rd. LLC

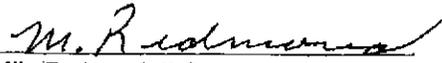
By: 
Mike Redmond, R.S.
Water/Waste Program Manager

EXHIBIT "D"

CHAPTER 15, ARTICL 15-12-4 OF THE ORO VALLEY TOWN CODE

15-12-4 Construction Agreements; Protected Facilities

The general policy of the Town regarding extension of the water system through private contracts is that all costs associated with construction of water system facilities needed to serve a new customer, shall be paid by that customer. However, in some cases facilities are installed in such a manner as to provide water service to a property that did not participate in the original installation of the facility, therefore; the participating party may be eligible for a refund of a portion of the construction costs through the collection of a protected facilities fee levied against all non-participating applicants for service from the facility.

A. Definitions.

Agreement (or) Protected Facility Agreement: that portion of the "Agreement for Construction of Water Facilities Under Private Contract" pertaining to the protected facility program.

Fees (or) Protected Facility Charges: those charges levied on a non-participating applicant for water service from a connection onto a protected facility.

Non-Participating Party: applicants for water service from the protected facility that did not participate in the actual facility installation costs.

Participating Party: any property owner sharing in the construction costs of water facility installation designated as a protected facility. Note: When an applicant requests a protected facility, all properties owned by the applicant that could be served by the new facility will be considered participating parties.

Protected Facility: any water facility installed by private contract in such a manner as to provide water service to any property adjacent to the water facility that did not participate in the costs of the facility.

Refunds: reimbursement of construction costs on protected facilities from the collection of Protected Facility Charges.

B. Policy. Any extension of the Town's water distribution system, installed by private contract, that may potentially provide water service to properties which have not participated in the installation costs, will be designated as a "protected facility." Whenever a water facility is installed as a protected facility, it will be the policy of the Town to refund a portion of the construction costs to the party that financed the original water facility installation through the collection of a protected facility fee, levied against all non-participating applicants for service from the facility. The rate of this fee will be set at fifty percent (50%) of the current installation cost for the minimum size facility installation, based on the lineal footage of the non-participating property fronting the protected facility. This agreement will remain in effect until either the full sum, less the participating parties' pro-rata share, has been refunded or for a period of ten (10) years from the effective date of the agreement. Any balances remaining unpaid after this time shall be considered cancelled, and the Town shall be fully discharged from any further obligation under the agreement.

C. Fee Calculation. An illustration of the fee calculation is as follows: if the average cost for construction of a six (6) inch water line in an undeveloped area is fifteen dollars (\$15.00) per lineal foot, the protected facility fee would be seven dollars and fifty cents (\$7.50) per lineal foot of frontage to the main. This fee will

be calculated based on current construction costs. The fee for other protected facilities will be determined by the Utility Director based on the specific facility and the benefit realized by non-participating parties.

D. Procedures.

1. Designation of water facilities as protected.

a. The Utility Director will have the responsibility of determining whether a facility should be classified as protected based on a review of the plans.

b. The Utility Administrator will then initiate the "Agreement for Construction of Water Facilities Under Private Contract" indicating that portion, if any, of the facility installation relevant to the protected facility section of the agreement.

c. The Utility Director will be responsible for ensuring that all participating properties are noted on the plans and that the plans clearly indicate all protected facilities.

d. The Utility Director will calculate the total refund due based on the length of pipeline specified as protected facilities on the plans and current construction costs.

2. Refunds from non-participating connections to protected facilities.

a. Upon completion and acceptance of the water facilities installed pursuant to a protected facility agreement, the participating party may be eligible for refund of that portion of the cost that is not directly attributable to providing water service solely to participating properties.

b. When application is received by the Town for a water service or water main connection to a protected facility by a non-participating property benefiting from the facility, the Town will collect the appropriate fees. These sums, or portions thereof, shall be refunded to the participating party a pro-rata share of the refundable portion of the cost of the facility based upon the "as-built" plans of the protected facility installed.

c. In no event will the aggregate amount refunded exceed the full, authorized refundable portion of the cost of the water facility installed. In the event the full authorized amount has not been refunded within ten (10) years from the date of the agreement, any balances remaining unpaid shall be considered cancelled, and the Town shall be fully discharged from any further obligations under the agreement.

d. The Town will maintain an accounting record of each protected facility agreement. Within this record, all protected facility payments and refunds will be monitored and logged. Protected facilities fees will continue to be collected until either the total refund amount has been collected or for a period of ten (10) years from the effective date of the agreement.

e. Waiver of protected facility fees can only be granted by the party that originally financed the installation of the protected facility. The Town will require a notarized letter granting the waiver prior to waiving the fee.

3. Collection of protected facility fees from non-participating properties.

a. As early in the platting and/or plan review process as is practical, the Water Utility Director will inform non-participating applicants for service that a

protected facility fee is required, whenever their property has frontage on a protected facility and their plans call for service and/or water main connections to that facility.

b. At the time of plan approval, an estimate of the applicable protected facility fee will be calculated based on the current front footage fee. Payment of this fee will be required prior to installation of meters.

((O)07-41, Amended, 11/07/2007; 98-28, Added, 07/15/1998)

EXHIBIT "E"
PROTECTED FACILITIES SCHEDULE

Protected Facilities Schedule

2100 feet of Water Main

\$337,840.00 Total cost

Protected main reimbursement formula

$((\text{Total cost} / \text{footage installed}) / 2) \times (\text{connecting property frontage footage})$

$(\$337,840.00/2100) / 2 = (\$160.88/\text{foot})/2 = \$80.44/\text{foot} \times \text{frontage footage}.$

Each connecting property owner shall reimburse The Shoppes at Oracle, LLC. in the amount of their property frontage footage multiplied by \$80.44.

EXHIBIT "F"

FINAL ACCEPTANCE OF UNPROTECTED WATER FACILITIES

Applicant requests final acceptance of the Protected Water Facilities for the Project known as The Shoppes at Oracle Road 16 inch Offsite water main and certifies that all of the items listed below are complete.

COMPLETED

- Compaction test results have been completed and approved by the Town.
- All Water-related fees including inspection and testing fees have been paid.
- Any construction deficiencies have been corrected.
- Post-paving continuity tests have been submitted and approved by the Town.
- Any and all easements required for the Protected Water Facilities have been recorded in the Pima County, Arizona Records Office.

"APPLICANT"

Shoppes At Oracle Rd LLC

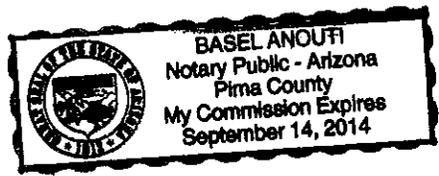
By: [Signature]
 Its: MEMBER
 Date: 2/4/2010

STATE OF AZ)
)ss.
 COUNTY OF Pima)

SUBSCRIBED AND SWORN to before me this 4 day of Feb, 2011, by KISSAM A KADDORA who is known to me or has satisfactorily been identified as the MEMBER for the Applicant, and is a duly authorized agent to sign on behalf of SHOPPES AT ORACLE RD LLC in which to bind and obligate the Applicant.

[Signature]
 Notary Public

My Commission Expires: SEPT 14, 2014



TOWN OF ORO VALLEY

The Town grants final acceptance of the Water Facilities for the Project known as
The Shoppes at Oracle Road 16 inch Offsite water main And
the two-year warranty period shall begin on _____, 20_____.

Philip C. Saletta, P.E., Water Utility Director

ATTEST:

Julie K. Bowery, Town Clerk



Town Council Regular Session

Item # H.

Meeting Date: 04/06/2011

Requested by: Robert Jacklitch

Submitted By:

Robert Jacklitch, Water

Department: Water

SUBJECT:

Resolution No. (R)11-19 Authorizing and Approving a Temporary Lease Agreement between the Town of Oro Valley and EC Tenant Corporation for Storage and Staging of Materials and Equipment

RECOMMENDATION:

Staff recommends approval.

EXECUTIVE SUMMARY:

EC Tenant Corp. agrees to lease the Town 6,000 square feet of land located on the Hilton El Conquistador Hotel and Resort property and adjacent to the existing Oro Valley Water Utility Sheraton booster pump facility. The Town shall use the temporary space only for the storage and staging of materials and equipment used in connection with rebuilding the adjacent pump station.

The existing Sheraton booster pump facility has been operating since the early 1980's. The Oro Valley Water Utility proposes to replace the older facility with a new pump station sized to meet current water demand.

BACKGROUND OR DETAILED INFORMATION:

The Sheraton Booster Pump Station is an existing potable water facility. The site is located near the entrance to the Hilton El Conquistador Hotel and Resort. The facility operates as a transfer pump station, boosting water from a lower pressure zone to a higher pressure zone. The new facility design is complete and ready to advertise for construction services. The new pump station will be located on the existing site.

The existing pump station is only 2,000 sq. ft. We will install four pumps, electrical controls, telemetry and a security wall. Additional space is needed to store construction material, equipment and staging. The Hilton agreed to provide the additional space to expedite construction and is in the process of executing the Temporary Lease Agreement.

The Temporary Lease Agreement is attached as Exhibit A. A map of the project area is included as Exhibit B.

FISCAL IMPACT:

There is no fiscal impact as a result of this agreement. The Town is not obligated to pay any rent during the term of the Temporary Lease Agreement. The Town will return the property in the same condition it was in prior to the commencement of the lease. The EC Tenant Corp is not obligated to provide any services to the Town or the leased space.

SUGGESTED MOTION:

I MOVE to (approve, deny) Resolution No. (R)11-19, Authorizing and Approving a Temporary Lease Agreement between the Town of Oro Valley and EC Tenant Corporation for Storage and Staging of Materials and Equipment.

Attachments

Reso 11-19

Exhibit A - Lease Agreement

Exhibit B - Map

RESOLUTION NO. (R)11-19

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF ORO VALLEY, ARIZONA, AUTHORIZING AND APPROVING A TEMPORARY LEASE AGREEMENT BETWEEN THE TOWN OF ORO VALLEY AND EC TENANT CORPORATION FOR STORAGE AND STAGING OF MATERIALS AND EQUIPMENT

WHEREAS, the Town of Oro Valley is a political subdivision of the State of Arizona vested with all associated rights, privileges and benefits and is entitled to the immunities and exemptions granted municipalities and political subdivisions under the Constitution and laws of the State of Arizona and the United States; and

WHEREAS, pursuant to A.R.S. § 9-511, *et seq.*, the Town has the requisite statutory authority to acquire, own and maintain a water utility for the benefit of the landowners within and without the Town's corporate boundaries; and

WHEREAS, EC Tenant Corporation (a holding company for the Hilton El Conquistador) is the owner of a building that the Town desires to use for storage and staging of materials and equipment to be used in rebuilding a pump station adjacent to the building; and

WHEREAS, EC Tenant Corporation agrees at no cost to temporarily lease a portion of the building to the Town;

WHEREAS, it is in the best interest of the Town to approve the Temporary Lease Agreement, attached hereto as Exhibit "A" and incorporated herein by this reference, to allow the Town to store and stage materials to be used in rebuilding a pump station adjacent to the building.

NOW, THEREFORE BE IT RESOLVED by the Mayor and Council of the Town of Oro Valley that:

1. The Temporary Lease Agreement, attached hereto as Exhibit "A" and incorporated herein by this reference, between the Town of Oro Valley and EC Tenant Corporation is hereby authorized and approved.
2. The Mayor, Water Utility Director and other administrative officials are hereby authorized to take such steps as necessary to execute and implement the terms of the Agreement.

PASSED AND ADOPTED by the Mayor and Council of the Town of Oro Valley, Arizona this 6th day of April, 2011.

TOWN OF ORO VALLEY

Dr. Satish I. Hiremath, Mayor

ATTEST:

APPROVED AS TO FORM:

Julie K. Bower, Town Clerk

Tobin Rosen, Town Attorney

Date: _____

Date: _____

EXHIBIT “A”

TEMPORARY LEASE AGREEMENT

THIS TEMPORARY LEASE AGREEMENT (this "Agreement") is entered into as of _____, 200__, ("Effective Date"), by and between **EC Tenant Corp.**, a Delaware corporation ("Landlord") and the Town of Oro Valley, an Arizona Municipal Corporation ("Tenant").

RECITALS:

- A. Landlord is the owner of that certain parcel of land located in Tucson, Arizona (the "Site").
- B. Landlord and Tenant desire to provide for lease to Tenant of certain space within the Site on a temporary basis as provided herein.

AGREEMENT:

NOW, THEREFORE, in consideration of the sum of Ten Dollars, the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, the parties hereby agree as follows:

1. Temporary Space. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, approximately six thousand square feet (6,000 s.f.) (the "Temporary Space") as designated on the attached Exhibit A located within the Site. Tenant hereby acknowledges that the Temporary Space is leased by Tenant subject to all the terms and conditions of this Agreement.
2. Temporary Term. Tenant's right to utilize the Temporary Space pursuant to this Agreement shall commence on the Effective Date, and shall continue on a week-to-week basis (the "Temporary Term"), unless terminated pursuant to the provisions hereof. Either party may terminate this Agreement upon five (5) business days prior notice to the other party.
3. Rent. Tenant shall not be obligated to pay any rent during the Temporary Term.
4. Statutory Termination Right. This Agreement is subject to the provisions of A.R.S. § 38-511 which provides in pertinent part that the State, its political subdivisions or any department of either may, within three years after its execution, cancel any Agreement, without penalty or further obligation, made by the State, its political subdivisions, or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of the State, its political subdivisions or any of the departments or agencies of either is, at any time, while the Agreement or any extension of the Agreement is in effect, an employee or agent of any other party to the Agreement in any capacity or a Agreement or to any other party to the Agreement with respect to the subject matter of the Agreement.

5. Use. Tenant shall use the Temporary Space only for the storage and staging of materials and equipment to be used in connection with rebuilding the pump station adjacent to the Temporary Space and for no other use whatsoever during the term of this Agreement. Tenant will, at Tenant's sole cost and expense, promptly comply with all Applicable Laws relating to or affecting the condition, use or occupancy of the Temporary Space. Tenant will conduct its business and occupy the Temporary Space and will control its agents, employees, licensees and invitees in such a manner so as not to create any nuisance or interfere with, annoy or disturb any of the other tenants in the Building.

6. Services to Temporary Space. Landlord shall not be obligated to provide any services to the Tenant or the Temporary Space.

7. Condition of Temporary Space. Landlord and Tenant hereby agree that the Temporary Space will be delivered to Tenant in its "AS IS" condition. Tenant hereby agrees that its taking possession of the Temporary Space shall be conclusive evidence as against Tenant that the Temporary Space was in the condition agreed upon between Landlord and Tenant, and shall be an acknowledgment by Tenant that it accepts the Temporary Space in its then "AS IS" condition, without any further improvement thereof required by Landlord.

8. Surrender of Temporary Space. Upon the termination of this Agreement, Tenant shall peaceably surrender to Landlord the Temporary Space, in the same condition it was in prior to the commencement of this Temporary Lease.

9. Waiver; Indemnity; Insurance. TENANT ACKNOWLEDGES THAT LANDLORD IS LEASING THE TEMPORARY SPACE TO TENANT BASED PRIMARILY ON ITS AGREEMENTS IN THIS PARAGRAPH 9. TENANT HEREBY ASSUMES ALL RISK AND WAIVES ALL CLAIMS IT MAY HAVE AGAINST LANDLORD, CHH TUCSON PARTNERSHIP LP, LANDLORD'S MANAGER AND THEIR TRUSTEES, MEMBERS, PRINCIPALS, BENEFICIARIES, PARTNERS, OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES, MORTGAGEES AND AGENTS (COLLECTIVELY "LANDLORD PARTIES") FOR DAMAGE TO OR LOSS OF PROPERTY (INCLUDING THEFT) OR INJURY TO PERSONS AS A RESULT OF USING THE TEMPORARY SPACE OR PERFORMING WORK ON THE PUMP STATION, EXCEPT FOR SUCH DAMAGE, LOSS OR INJURY CAUSED BY THE GROSS NEGLIGENCE OR WILFUL MISCONDUCT OF LANDLORD OR LANDLORD'S MANAGING AGENT. SUCH ASSUMPTION AND WAIVER SHALL INCLUDE AN OBLIGATION ON TENANT'S PART TO INDEMNIFY, DEFEND AND HOLD HARMLESS ALL LANDLORD PARTIES AGAINST ALL COSTS, EXPENSES, CLAIMS AND LIABILITIES ARISING FROM SUCH DAMAGE, LOSS OR INJURY, INCLUDING ATTORNEYS' FEES AND COSTS, WHICH OBLIGATION SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT. Further, and notwithstanding the exclusion set forth in the first sentence of this paragraph, Tenant hereby releases all Landlord Parties from all liability for damage to Tenant's personal property for which Tenant is reimbursed from the proceeds of its property insurance policies. To the extent that it maintains insurance or any equivalent thereto: (a)

Tenant hereby agrees to cause its property insurance policies procured pursuant to this Agreement to insure the full replacement value of the personal property stored in the Temporary Space, and to include a provision or endorsement waiving the insurer's right of subrogation against Landlord and Landlord's managing agent; and (b) Tenant hereby agrees to cause its liability insurance policies to insure against any property damage or bodily or personal injury occurring in or around the Temporary Space and to include a provision for contractual liability coverage insuring Tenant for the performance of its indemnity obligations under this Agreement. Tenant shall, upon Landlord's request, provide Landlord with evidence of the insurance coverage required under this paragraph.

10. Hazardous Materials. Tenant shall not cause or permit the storage, use, generation or disposition of any Hazardous Materials (as hereinafter defined) in the Temporary Space without the prior written consent of Landlord. Notwithstanding the foregoing, Tenant may, without Landlord's prior consent, but in compliance with all Applicable Law, use any ordinary and customary Hazardous Materials reasonably required to be used by Tenant in the normal course of Tenant's business permitted in the Temporary Space, so long as such Hazardous Materials are used, kept and stored in a manner that complies with all laws regulating any such Hazardous Materials. TENANT HEREBY AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS THE LANDLORD PARTIES FROM ALL FINES, SUITES, PROCEDURES, CLAIMS AND ACTIONS OF EVERY KIND, AND ALL COSTS ASSOCIATED THEREWITH (INCLUDING ATTORNEYS' AND CONSULTANTS' FEES) ARISING OUT OF OR IN ANY WAY CONNECTED WITH ANY DEPOSIT, SPILL, DISCHARGE OR OTHER RELEASE OF HAZARDOUS MATERIALS THAT OCCURS DURING THE TERM OF THIS AGREEMENT AT OR FROM THE TEMPORARY SPACE, OR WHICH ARISES AT ANY TIME FROM TENANT'S USE OR OCCUPANCY OF THE TEMPORARY SPACE. Tenant's obligations and liabilities under this paragraph shall survive the expiration or termination of this Agreement. For purposes of this Agreement, the term "Hazardous Materials" is any toxic, ignitable, reactive or corrosive substance now or hereafter regulated by any governmental authority, including any substance defined by Applicable Law as a "hazardous waste", "extremely hazardous waste", "hazardous substance", "hazardous material" or "regulated substance".

11. Security. Tenant shall be responsible for securing any of its personal property, equipment or materials and Landlord shall not be responsible for any loss or damage thereto.

12. Notices. Notices hereunder must be hand delivered or sent by nationally recognized overnight courier or by certified mail, return receipt requested, postage prepaid, addressed, if to Landlord, at, 10000 N. Oracle Road, Tucson, AZ 85737 Attention: General Manager with a copy to 14185 N. Dallas Pkwy, Ste 1100, Attention: Legal Department and if to Tenant, addressed to 11000 N. La Canada drive, Oro Valley AZ. 85737 Attention Water Utility Director. Notice shall be deemed given upon tender of delivery (in the case of hand-delivered notice) or upon posting of same with the overnight courier service or in an official depository of the United States Postal Service (in the case of a certified or registered letter), provided that no notice of either party's change of address shall be effective until fifteen (15) days after the addressee's actual receipt thereof.

13. Integration; Modification; Waiver. This Agreement constitutes the complete and final expression of the agreement of the parties relating to the Temporary Space, and supersedes all previous contracts, agreements, and understanding of the parties, either oral or written, relating to the Temporary Space. This Agreement cannot be modified, or any of the terms hereof waived, except by an instrument in writing (referring specifically to this Agreement) executed by the party against whom enforcement of the modification or waiver is sought.

14. Time of the Essence. Time is of the essence with respect to Tenant's execution and delivery of this Agreement to Landlord. If Tenant fails to execute and deliver a signed copy of this Agreement to Landlord by 5:00 p.m., on April 10, 2011, it shall be deemed null and void and shall have no force or effect, unless otherwise agreed in writing by Landlord. Landlord's acceptance, execution and return of this document shall constitute Landlord's agreement to waive Tenant's failure to meet the foregoing deadline.

[REMAINDER OF PAGE INTENTIONALLY LEFT OPEN]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Agreement to be duly executed as of the date first set forth above.

LANDLORD:

EC TENANT CORP

David J. Kimichik, President

State of Texas)
) ss.
County of Dallas)

On this ___ day of _____, 2011, David J. Kimichik, known to me to be the person whose name is subscribed to the within instrument, personally appeared before me and acknowledged that he executed the same for the purposes contained.

Given under my hand and seal on _____, 2011.

Notary

My Commission Expires: _____

TENANT:

TOWN OF ORO VALLEY
an Arizona Municipal Corporation

Dr. Satish I. Hiremath, Mayor

ATTEST:

Julie K. Bower as Town Clerk
and not personally

Date: _____

APPROVED AS TO FORM:

Tobin Rosen, as Town Attorney
and not personally

Date: _____

SAN CARLOS
PLAZA

Existing Booster Pump Facility

Temporary Lease Area

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E EL CONQUISTADOR WY





Town Council Regular Session

Item # I.

Meeting Date: 04/06/2011

Requested by: Craig Civalier

Submitted By:

Lynn Garcia, Development
Infrastructure Services

Department: Development Infrastructure Services

SUBJECT:

Resolution No. (R)11-20 Authorizing and approving a License Agreement between the Town of Oro Valley and Michael J. and Karen M. Duellman for the installation and maintenance of landscaping on Town owned property located at Sun City Vistoso Unit 12, Lot 277, Parcel Number 223-01-8240

RECOMMENDATION:

Staff recommends approval of this agreement.

EXECUTIVE SUMMARY:

Mr. and Mrs. Michael Deullman reside at 13858 N. Lobelia Way (Sun City Vistoso Unit 12, Lot 39). The rear of their property abuts Sun City Vistoso Unit 12 Lot 277, a 40' wide lot along the east side of Unit 12, primarily used as a sewer easement. Lot 277 was dedicated to the Town by the plat for Sun City Vistoso Unit 12. The lot presently lacks vegetation.

The Duellmans would like to clear weeds as well as install and maintain landscaping in the area adjacent to their property. The landscaping would occur within the extensions of the north and south boundaries of lot 39. It has been explained to the Duellmans that the landscaping would be placed at their risk, and would not be replaced by the Town or County in the event that it became necessary to access the area. The license agreement provides that the Duellmans would have sole responsibility for maintenance of the landscaping elements.

Nine of the twenty-seven lots adjacent to Lot 277 have previously negotiated license agreements with the Town for this purpose.

BACKGROUND OR DETAILED INFORMATION:

N/A

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

I MOVE to (approve, approve with conditions, deny) Resolution No. (R)11-20, Authorizing and approving a License Agreement between the Town of Oro Valley and Michael J. and Karen M. Duellman for the installation and maintenance of landscaping on Town owned property located at Sun City Vistoso Unit 12, Lot 277, Parcel Number 223-01-8240.

Attachments

Reso 11-20

[License Agreement](#)

[Legal Description](#)

[Map](#)

RESOLUTION NO. (R)11-20

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF ORO VALLEY, ARIZONA, AUTHORIZING AND EXECUTING A LICENSE AGREEMENT BETWEEN THE TOWN OF ORO VALLEY AND MICHAEL J. AND KAREN M. DUELLMAN FOR THE INSTALLATION AND MAINTENANCE OF LANDSCAPING ON TOWN OWNED PROPERTY LOCATED AT SUN CITY VISTOSO UNIT 12, LOT 277, PARCEL NUMBER 223-01-8240

WHEREAS, the Town of Oro Valley is a political subdivision of the State of Arizona vested with all associated rights, privileges and benefits and is entitled to the immunities and exemptions granted municipalities and political subdivisions under the Constitution and laws of the State of Arizona and the United States; and

WHEREAS, the Town is the owner of an approximately forty foot (40') wide lot located at Sun City Vistoso Unit 12, Lot 277, Parcel Number 223-01-8240 (the "Property"), that was dedicated to the Town by the plat of Sun City Vistoso, Unit 12 which is primarily used as a sewer easement; and

WHEREAS, Michael J. and Karen M. Duellman (the "Duellmans") own Sun City Vistoso, Unit 12, Lot 39, that abuts a portion of the Property; and

WHEREAS, the Town desires to enter into a License Agreement, attached hereto as Exhibit "A" and incorporated herein by this reference, to authorize the Duellmans' to install and maintain landscaping on the Property; and

WHEREAS, pursuant to Oro Valley Town Code, Section 7-5-12, the Duellmans' shall hold harmless the Town against any and all damages and perform the installation and maintenance of landscaping on the Property at their sole cost and expense; and

WHEREAS, it is in the best interest of the Town to authorize and execute the License Agreement with the Duellmans', attached hereto as Exhibit "A" and incorporated herein by this reference, for the installation and maintenance of landscaping on the Property.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Oro Valley, Arizona, that the License Agreement between the Town of Oro Valley and Michael J. and Karen M. Duellman relating to the installation and maintenance of landscaping on the Town's property located at Sun City Vistoso, Unit 12, Lot No. 277, Parcel Number 223-01-8240, attached hereto as Exhibit "A" and incorporated herein by this reference, is hereby authorized and approved.

BE IT FURTHER RESOLVED that the Mayor and any other administrative officials of the Town of Oro Valley are hereby authorized to take such steps as are necessary to execute and implement the terms of the Agreement.

PASSED AND ADOPTED by the Mayor and Town Council of the Town of Oro Valley, Arizona this 6th day of April, 2011.

TOWN OF ORO VALLEY

Dr. Satish I. Hiremath, Mayor

ATTEST:

Julie K. Bower, Town Clerk

Date: _____

APPROVED AS TO FORM:

Tobin Rosen, Town Attorney

Date: _____

EXHIBIT “A”

LICENSE AGREEMENT

THIS LICENSE made and entered into by and between the Town of Oro Valley, Pima County, Arizona, a Body Politic, hereinafter called the LICENSORS and **Michael J. Duellman and Karen M. Duellman ("Licensees"), 13858 N. Lobelia Way, Oro Valley, Arizona 85737** hereinafter called the LICENSEE.

WITNESSETH:

THAT WHEREAS, the licensors are the owners of the land hereinafter described, said land having been dedicated as **property of the Town of Oro Valley, more fully described as Sun City Vistoso Unit 12, lot 277**

WHEREAS, a portion of said property is requested to be encroached upon by **Michael J. Duellman and Karen M. Duellman**

Licensee requests authorization for the encroachments.

WHEREAS, the Licensee required from the Licensors to encroach into said property;

NOW, THEREFORE, for and in consideration of the sum of One (\$1.00) Dollar and the faithful performance by the Licensee or his heirs and assigns; the Licensors do hereby grant and demise to the Licensee, his heirs and assigns, a permit, license and privilege, for the period of time hereinafter mentioned and subject to the conditions hereinafter contained, to enter in upon the following described land of the Licensors, in Exhibit "A" attached.

THIS LICENSE is subject to the following terms and conditions, to-wit:

1. This license is granted for the purpose of **Clearing weeds, placement and maintenance of desert and patio landscaping, all within the limits of that portion of lot 277 directly adjacent to lot 39 extended.**
2. The Licensee shall only be permitted to use the aforesaid land for the stated purpose.
3. Notwithstanding any other agreement or condition, it is expressly agreed that the license may be revoked by the Licensors upon NINETY (90) DAYS WRITTEN NOTICE to the Licensee.

4. That when said License is revoked, the Licensee will remove the encroachments from said property, at no expense to the Licensors and to the satisfaction of the Licensors and will restore the property to the pre-license condition or as may be mutually agreed.
5. That nothing herein contained shall be construed as granting title to the land belonging to the Licensors, or as vesting in the Licensee any right of entry to said land after the termination of this License.
6. This License may be transferred to the Licensee's successors and assigns upon written approval of the Licensors subsequent to written request of the Licensee. This License shall run for a period of 25 years.
7. That the Licensee assumes the responsibility and all liability for any injury or damage to said property, or to any person while using said property in a lawful manner caused by or arising out of the exercise of this Permit or License.
8. That all work done shall be at the sole cost and expense of the Licensee.
9. The Licensee shall indemnify, defend and hold harmless the Licensors, its officers, departments, employees and agents from and against any and all suits, actions, legal or administrative proceedings, claims, demands or damages of any kind or nature arising out of this contract which are attributed to any act or omission of the Licensee, its agents, employees, or any one acting under its direction, control, or on its behalf, or any act or omission of the Licensors, its officers, departments, employees and agents, whether intention or negligent, in connection with or incident to this license.
10. The licensee will abide by all applicable local, state and federal ordinances, statutes, and regulations.
11. Approval of this License is subject to compliance with all conditions and provisions of the approved plans and specifications, which by this reference are incorporated and made a part hereof.
12. Encroachments will be maintained by Licensee and shall not interfere with safe sight distance.
13. This Agreement is subject to A.R.S. § 38-511 which provides for cancellation of contracts by the Town for certain conflicts of interest.

IN WITNESS WHEREOF, the parties hereto have executed this License Agreement as of this 15 day of MARCH, 2011

LICENSEE:

Michael Duellman

Date: 3/15/2011

LICENSEE:

Karen Duellman

Date: 3/15/2011

STATE OF ARIZONA)

COUNTY OF ^{PINAL} PIMA) SS.

On this 15 day of MARCH, 2011, Michael J. Duellman, known to me to be the person whose name is subscribed to the within instrument, personally appeared before me and acknowledged that he executed the same for the purposes contained.

Given under my hand and seal on MARCH 15, 2011.

Suzanne Molinar
Notary

My Commission Expires: 08/25/2011

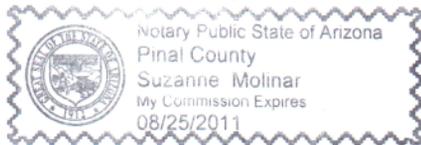
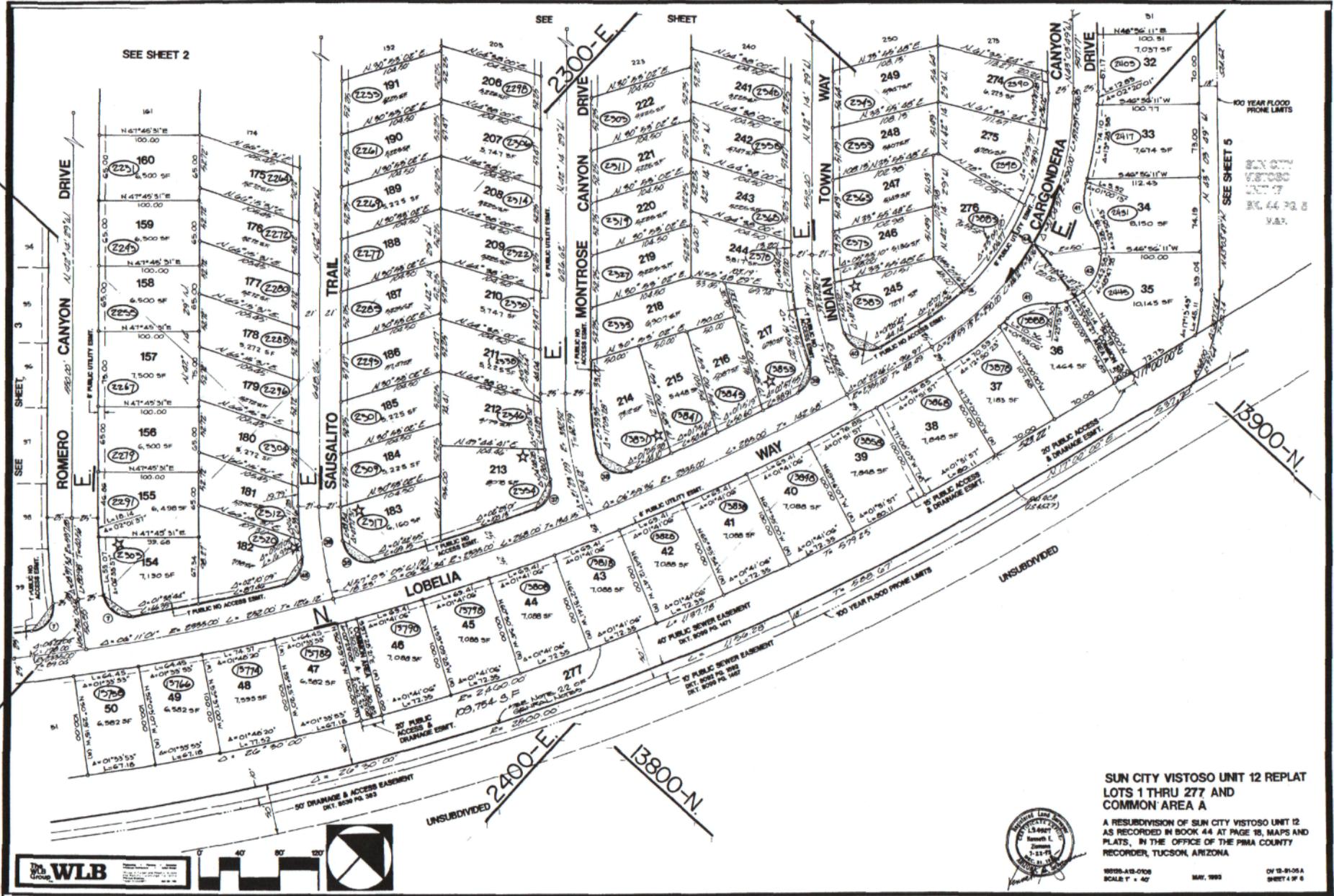


Exhibit "1"

Legal description of the property to be encroached upon by the License Agreement:

Sun City Vistoso Unit 12, Lot 277, Section 20, Township 11 South, Range 14 East, Gila and Salt River Meridian, Pima County, Arizona



WLB



SUN CITY VISTOSO UNIT 12 REPLAT
 LOTS 1 THRU 277 AND
 COMMON AREA A

A RESUBDIVISION OF SUN CITY VISTOSO UNIT 12
 AS RECORDED IN BOOK 44 AT PAGE 16, MAPS AND
 PLATS, IN THE OFFICE OF THE PIMA COUNTY
 RECORDER, TUCSON, ARIZONA.

69526-118-0108
 SCALE 1" = 40'
 MAY, 1993
 OF 12-31-2014
 SHEET 4 OF 6



Town Council Regular Session

Item # J.

Meeting Date: 04/06/2011

Requested by: Betty Dickens

Submitted By:

Betty Dickens, Human Resources

Department: Human Resources

SUBJECT:

Resolution No. (R)11-21 Authorizing and Approving an Employment Agreement for the Town Magistrate, George Dunscomb

RECOMMENDATION:

N/A

EXECUTIVE SUMMARY:

The current Town Magistrate Employment Agreement has a term ending 4/18/2011. Attached for review and approval is a new employment agreement for the period 4/6/2011 through 4/6/2015; Arizona Commission on Judicial Conduct report indicating "no past or pending complaints involving public discipline against Municipal Court Judge George A. Dunscomb"; and the 2011 Oro Valley Magistrate Court Access and Fairness Survey results.

BACKGROUND OR DETAILED INFORMATION:

N/A

FISCAL IMPACT:

The Town Magistrate shall receive a salary adjustment on each anniversary date of this agreement for an amount equal to the highest merit increase percentage approved (if any) for other exempt employees in a given fiscal year.

SUGGESTED MOTION:

I MOVE to (approve, deny) Resolution No. (R)11-21, Authorizing and Approving an Employment Agreement for the Town Magistrate, George Dunscomb.

Attachments

Reso 11-21

Magistrate Agreement

Commission on Conduct

Magistrate Court Survey

RESOLUTION NO. (R)11-21

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF ORO VALLEY, ARIZONA, AUTHORIZING AND APPROVING AN EMPLOYMENT AGREEMENT FOR THE TOWN MAGISTRATE, GEORGE DUNSCOMB

WHEREAS, the Town of Oro Valley is a municipal corporation within the State of Arizona and is vested with all the rights, privileges and benefits and is entitled to the immunities and exemptions granted to municipalities and political subdivisions under the Constitution and laws of the State of Arizona and the United States; and

WHEREAS, the Employment Agreement for George Dunscomb, Town Magistrate, terminates on April 18, 2011; and

WHEREAS, it is the desire of the Town enter into a new Employment Agreement with George Dunscomb, Town Magistrate, for the period of April 6, 2011 through April 6, 2015; and

WHEREAS, it is in the best interest of the Town to enter into the Employment Agreement with George Dunscomb, attached hereto as Exhibit "A" and incorporated herein by this reference, in order to set forth the terms and conditions of the Employment Agreement.

NOW, THEREFORE BE IT RESOLVED by the Mayor and Council of the Town of Oro Valley, that:

1. The Employment Agreement between the Town of Oro Valley and George Dunscomb, attached hereto as Exhibit "A" and incorporated herein by this reference, is hereby authorized and approved.
2. The Mayor and other administrative officials are hereby authorized to take such steps as necessary to execute and implement the terms of the Employment Agreement.

PASSED AND ADOPTED by the Mayor and Council of the Town of Oro Valley, Arizona, this 6th day of April, 2011.

TOWN OF ORO VALLEY

Dr. Satish I. Hiremath, Mayor

ATTEST:

APPROVED AS TO FORM:

Julie K. Bower, Town Clerk

Tobin Rosen, Town Attorney

Date

Date

EXHIBIT “A”

TOWN MAGISTRATE EMPLOYMENT AGREEMENT

THIS AGREEMENT, made and entered into this 6th day of April, 2011 by and between the Town of Oro Valley, an Arizona municipal corporation (hereinafter “Town”) and George Dunscomb (hereinafter “Magistrate”).

Pursuant to this agreement, Town herewith employs George Dunscomb as Town Magistrate for the Town of Oro Valley. Magistrate shall be deemed an employee of the Town pursuant to this agreement, and not an independent contractor. This contract shall commence on April 6th 2011 and continue for a FOUR (4) YEAR PERIOD from said date as provided by law and as set forth by Oro Valley Town Code Section 5-2-1 as amended. During the Magistrate’s term of office, Magistrate may be removed by the Town Council only for cause. This employment agreement is subject to the following additional terms and conditions:

1. Magistrate will fulfill the duties of the Town magistrate as provided by the State statutes and the Oro Valley Town Code Ordinances, and as defined by Arizona state law.
2. The Magistrate position is classified as a full-time, exempt employee of the Town and shall devote such time as is necessary and appropriate to conduct court business and manage the court resources.
3. Magistrate will assume the responsibilities of running the court system during the period of his employment. Such responsibilities shall carry with them all powers and duties associated with such position.
4. Magistrate shall be entitled to travel reimbursement (other than commuting) in accordance with Town Standard Operating Procedures or Administrative Directives. Magistrate shall be entitled to provisions of the Oro Valley Town Code, regulations and Personnel Policies and Procedures relating to vacation, paid holidays, and sick leave; retirement/pension plan participation; and other fringe benefits, working conditions, and Cost of Living Adjustments (COLA) as they now exist, or as they may be amended for the other exempt employees of the Town of Oro Valley, to the extent that they are consistent with the terms of this agreement. Finally, the Magistrate shall receive a salary

adjustment on each anniversary date of this agreement for an amount equal to the highest merit increase percentage approved (if any) for other exempt employees in a given fiscal year.

5. Magistrate shall also be responsible for compliance with all Town policies, rules, and regulations regarding purchasing, money management and security; hiring, firing and personnel management; budgetary and financial constraints; and such other regulations to the extent that these do not conflict with Supreme Court Rules and Arizona case law.
6. Town agrees to pay Magistrate during the four years of this agreement the sum of ONE HUNDRED EIGHTEEN THOUSAND FIVE HUNDRED FORTY-FOUR dollars (\$118,544) PER ANNUM, subject to future adjustments as noted in item 4, above. Such amount shall be payable to the Magistrate in installments at the same time and in the same manner as other salaried employees on a bi-weekly basis and shall be subject to FICA, Social Security and other legally required withholdings. In the event Magistrate voluntarily chooses to serve less than his full term, or is terminated for cause; the pay shall be pro-rated accordingly. Should Magistrate voluntarily decide to serve less than the full term of this agreement, he shall give a minimum of thirty (30) days notice unless exempted from this provision by the Town Council.

Notice pursuant to this agreement shall be given as follows:

- A. Employer Town Clerk's Office
 Town of Oro Valley
 11000 N. La Canada Drive
 Oro Valley, AZ 85737
- B. Employee Town Magistrate's Office
 Town of Oro Valley
 11000 N. La Canada Drive
 Oro Valley, AZ 85737

IN WITNESS WHEREOF, the Town of Oro Valley caused this agreement to be signed and executed in its behalf by Dr. Satish I. Hiremath, Mayor of the Town of Oro Valley, and duly attested by its Town Clerk, and Employee has signed and executed this agreement, both in duplicate, the day and year first above written.

Dr. Satish I. Hiremath, Mayor

George Dunscomb, Magistrate

ATTEST:

Julie K. Bower, Town Clerk

APPROVED AS TO FORM:

Tobin Rosen, Town Attorney

Text Size: A A A

george a dunscomb

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- [AZ Supreme Court](#)
- [Court Admin/AOC](#)
- [Public Services](#)
- [Licensing & Regulation](#)
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Commission on Judicial Conduct

Judicial Complaints Against Judges - Custom Search

george a dunscomb

No results found

1

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Dickens, Betty

From: Wanlass, Barbara [BWanlass@courts.az.gov]

Sent: Thursday, March 03, 2011 5:19 PM

To: Dickens, Betty

Cc: Wanlass, Barbara

Betty A. Dickens
Human Resources Director
Town of Oro Valley
11000 N. La Canada Drive
Oro Valley, AZ 85737

Dear Betty,

Our records reveal no past or pending complaints involving public discipline against Municipal Court Judge George A. Dunscomb. Under the rules adopted by the Arizona Supreme Court, all disciplinary sanctions imposed on judges after January 1, 2006, must be made public. If you need more information, please let me know.

Barbara Wanlass

Administrator
Commission on Judicial Conduct
1501 W. Washington Street, Suite 229
Phoenix, AZ 85007
602-452-3200
<http://www.azcourts.gov/ethics>

Court Performance Measures – Access and Fairness Survey

Oro Valley Magistrate Court administered our 2nd Access and Fairness Survey during the week of January 24th – January 28th 2011. A total of one hundred sixty one surveys were handed out and one hundred twenty one were returned, for a 75% return rate.

The survey questions come from National Center for State Courts. The Administrative Office of the Courts had indicated three years ago that they wanted all the courts in the State to administer such a survey, but never required it. Therefore, there are no statewide benchmarks from which we can gauge our performance. Surveys are conducted in Yuma County and Coconino County, and by comparison our numbers were for the most part the same or higher. When compared with our own numbers for last year we showed improvement in most areas.

The survey was broken down into 2 parts: 1) Access; and 2) Fairness.

The main area of concern in the Access portion of the survey is the usefulness of the court website. Because the survey does not ask what it was they wanted but could not accomplish, it is difficult to determine what we can do to correct the problem. However, we will look at the website to see what we might do to improve it and may engage other departments i.e. communications or IT to help us.

In the Fairness section of the survey, the one area that will be addressed immediately is the section on the defendants not knowing what they need to do next on their cases. It should be noted that the judge asks almost every defendant if they have any questions and very few say they do. The other area where the numbers were not as high as hoped was “The judge had the information necessary to make good decisions about my case”. The judge will add a question to every contested hearing “Is there anything else you think I should know before I make my decision?”

The following pages are the survey as administered and results.

Court Performance Measures – Access and Fairness Survey

Access and Fairness Survey

Oro Valley Magistrate Court

January 2011

Access to the Court

(Circle the number)

	Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree	
1. Finding the courthouse was easy.	1	2	3	4	5	n/a
2. The forms I needed were clear and easy to understand.	1	2	3	4	5	n/a
3. I felt safe in the courthouse.	1	2	3	4	5	n/a
4. The court makes reasonable efforts to remove physical and language barriers to service.	1	2	3	4	5	n/a
5. I was able to get my court business done in a reasonable amount of time.	1	2	3	4	5	n/a
6. Court staff paid attention to my needs.	1	2	3	4	5	n/a
7. I was treated with courtesy and respect.	1	2	3	4	5	n/a
8. I easily found the courtroom or office I needed	1	2	3	4	5	n/a
9. Did you use the court's Web site?	Yes			No		
a. If yes, was the court's Web site useful?	1	2	3	4	5	n/a
10. The court's hours of operation made it easy for me to do my business.	1	2	3	4	5	n/a

If you are a party to a legal matter and appeared before a judicial officer today, complete questions 11 - 15

Fairness

11. The way my case was handled was fair.	1	2	3	4	5	n/a
12. The judge listened to my side of the story before he or she made a decision.	1	2	3	4	5	n/a
13. The judge had the information necessary to make good decisions about my case.	1	2	3	4	5	n/a
14. I was treated the same as everyone else.	1	2	3	4	5	n/a
15. As I leave the court, I know what to do next about my case.	1	2	3	4	5	n/a

Background Information

What did you do at the court today?

(check all that apply)

- Search court records/obtain documents
- File papers
- Make a payment
- Get information
- Appear as a witness
- Attorney representing a client
- Jury duty
- Attend a hearing or trial
- Law enforcement/probation/social services staff
- Party to a legal matter

How often are you typically in this courthouse?

(Choose the closest estimate)

- First time in this courthouse
- Once a year or less
- Several times a year
- Regularly

What type of case brought you to the courthouse today?

- Civil traffic
- Criminal (to include criminal traffic)
- Civil matter (protective orders)
- Other: _____

How do you identify yourself?

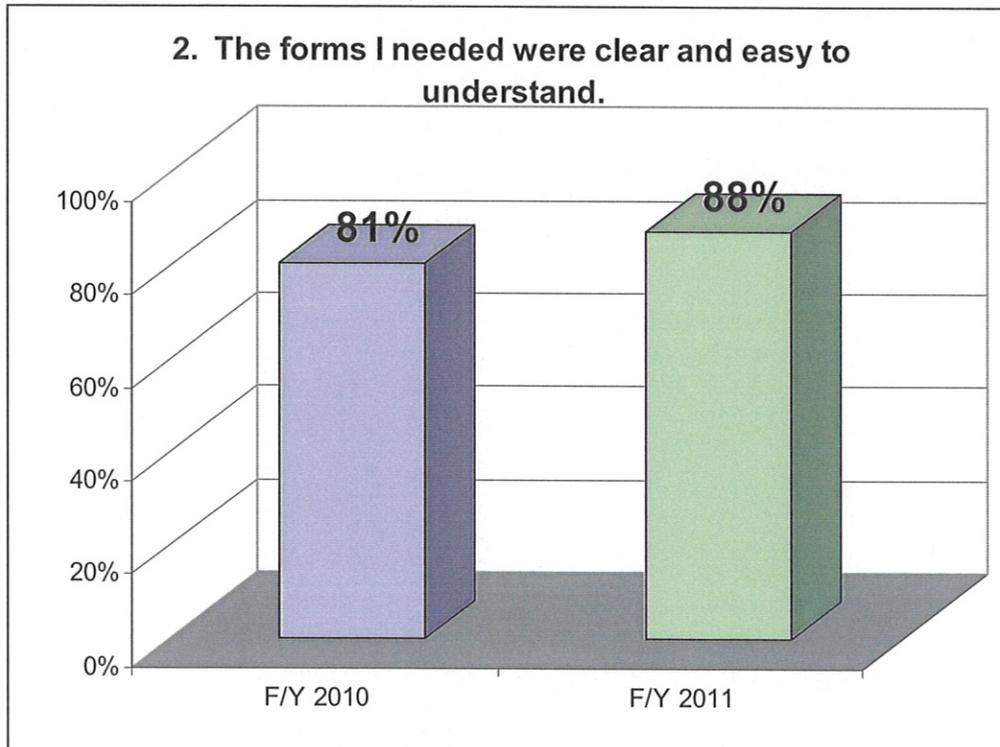
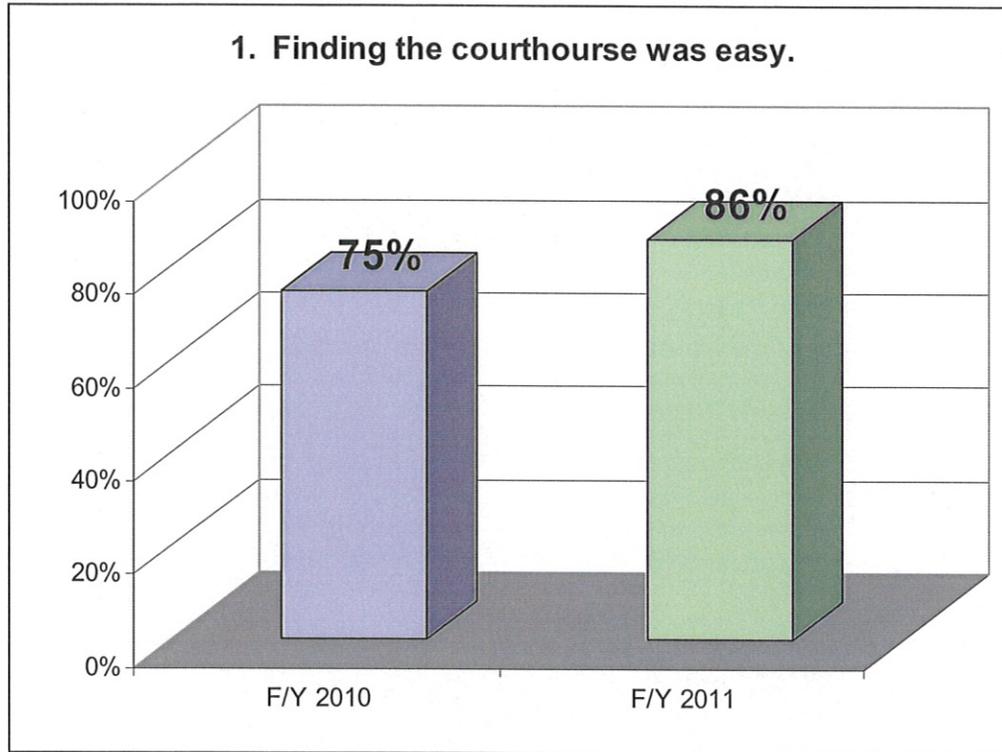
- American Indian or Alaska Native
- Asian
- Black or African American
- Hispanic or Latino
- Native Hawaiian or Pacific Islander
- White
- Mixed Race
- Other:

What is your gender?

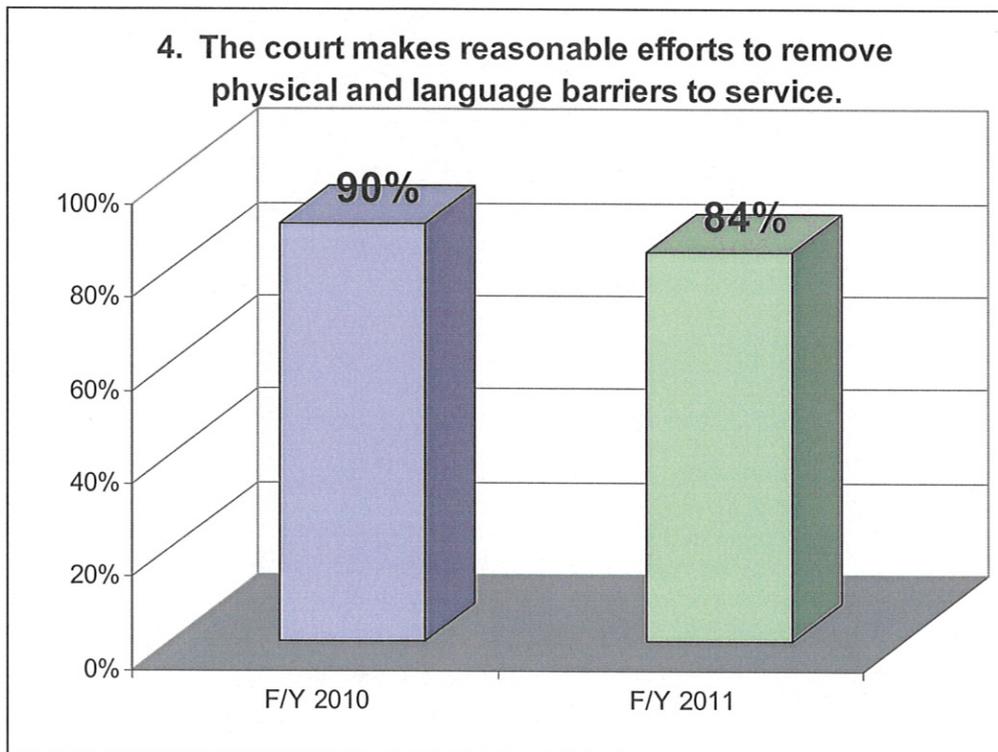
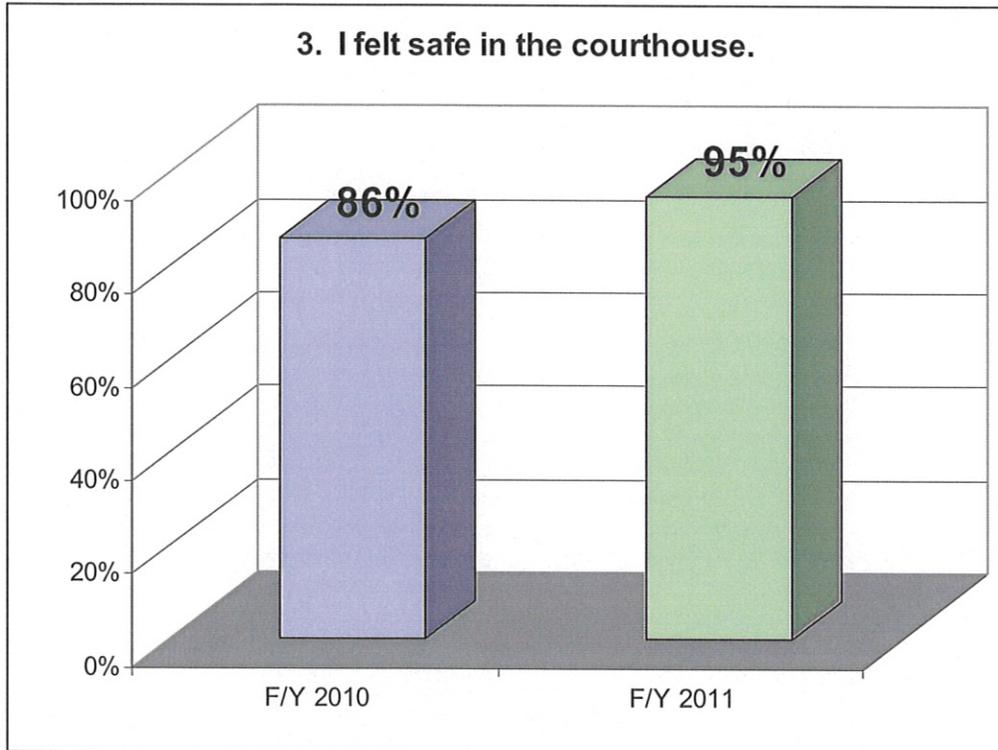
- Male
- Female

Thank you for your participation!

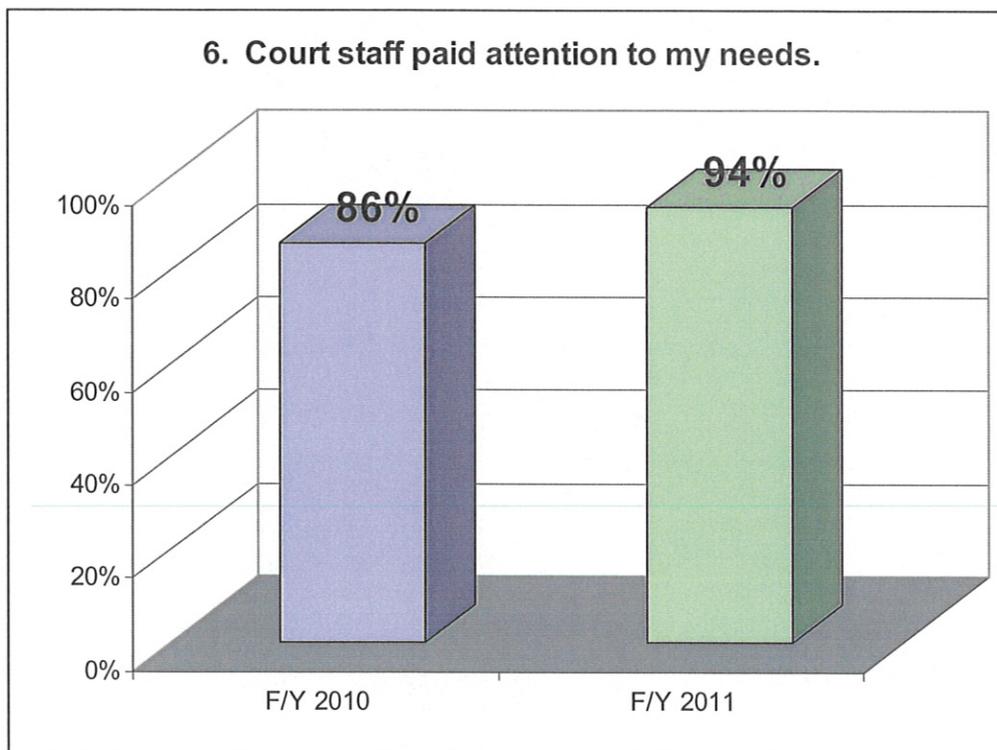
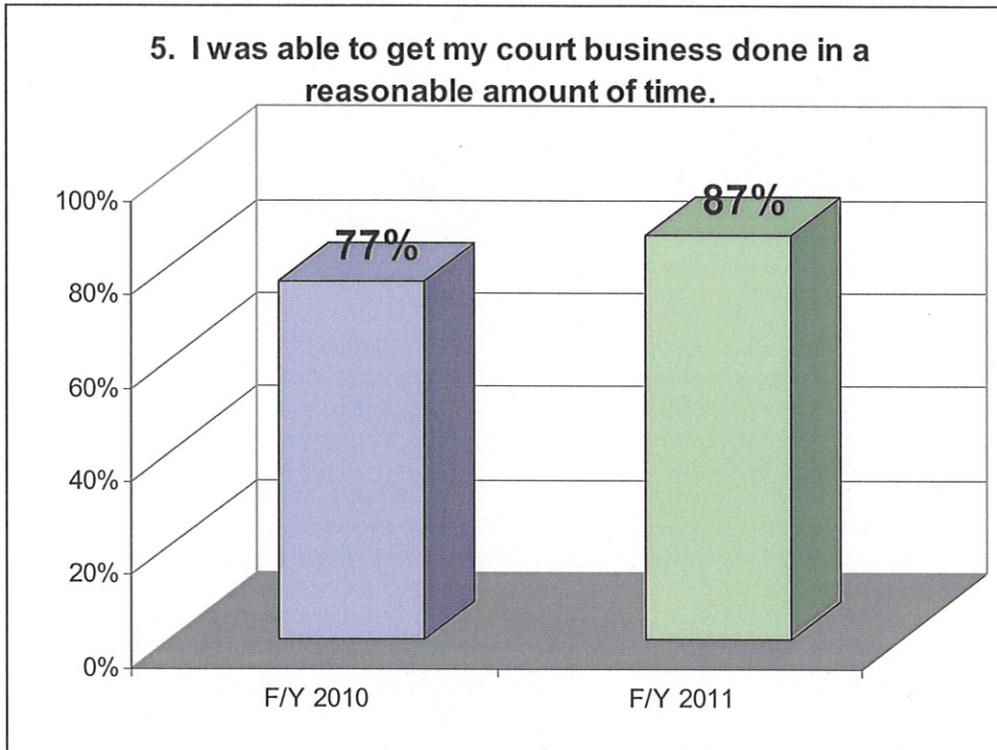
Court Performance Measures – Access and Fairness Survey



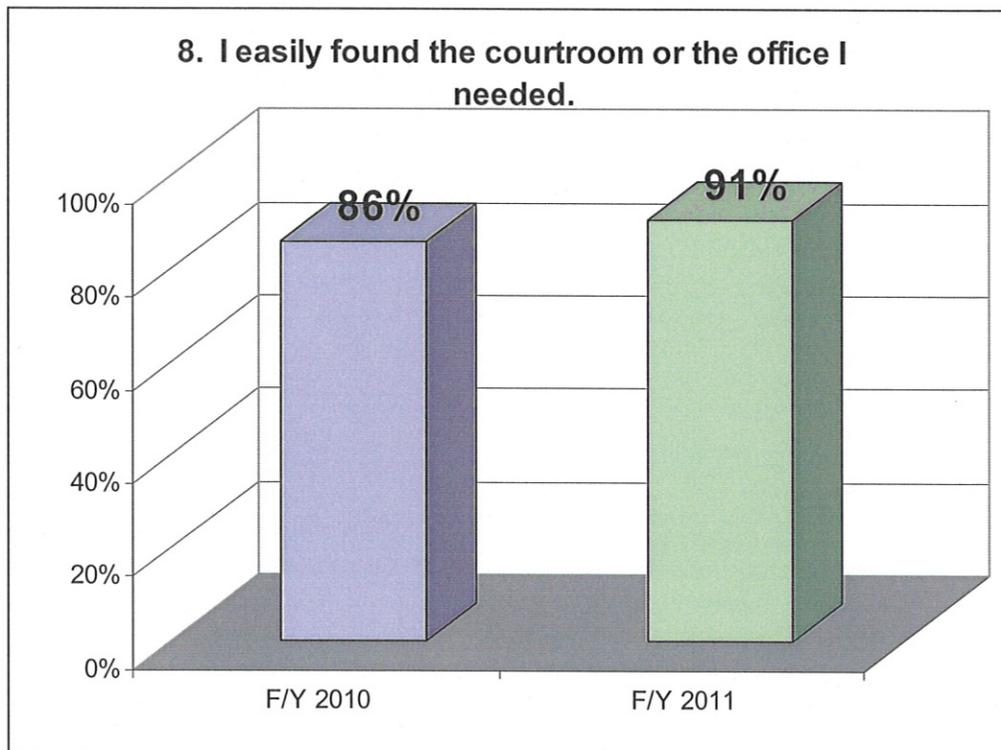
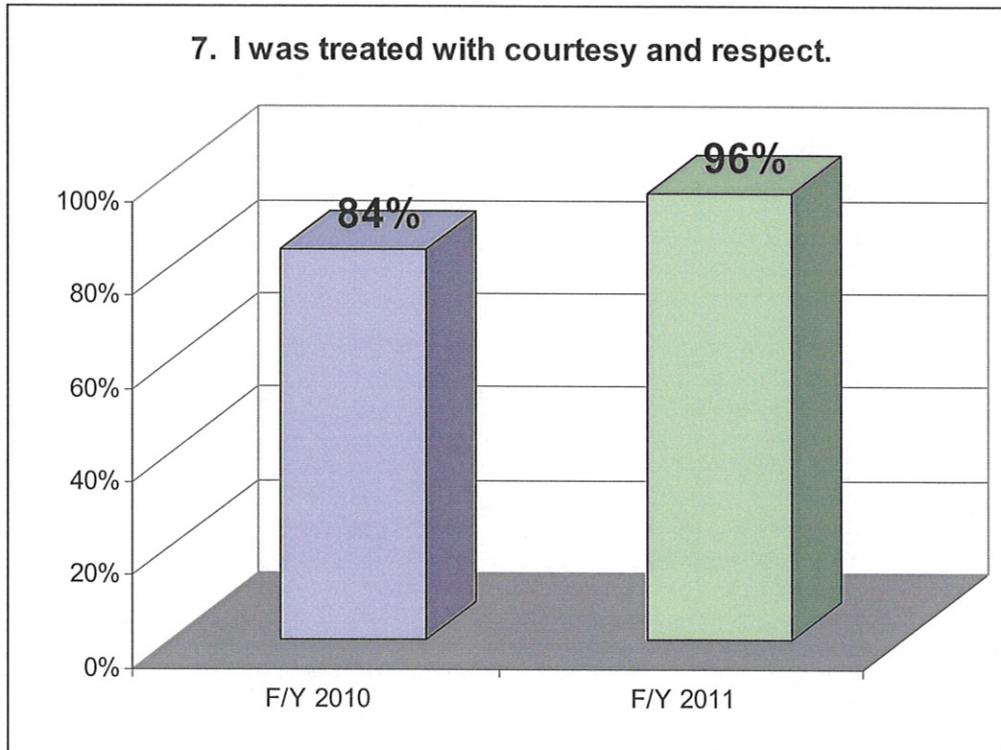
Court Performance Measures – Access and Fairness Survey



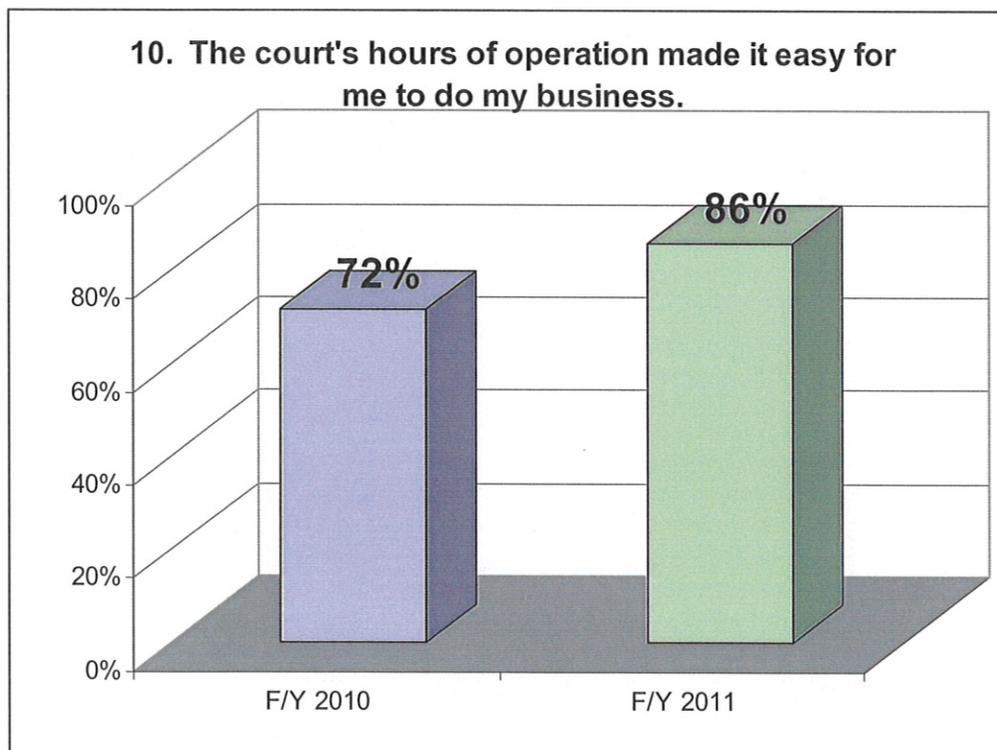
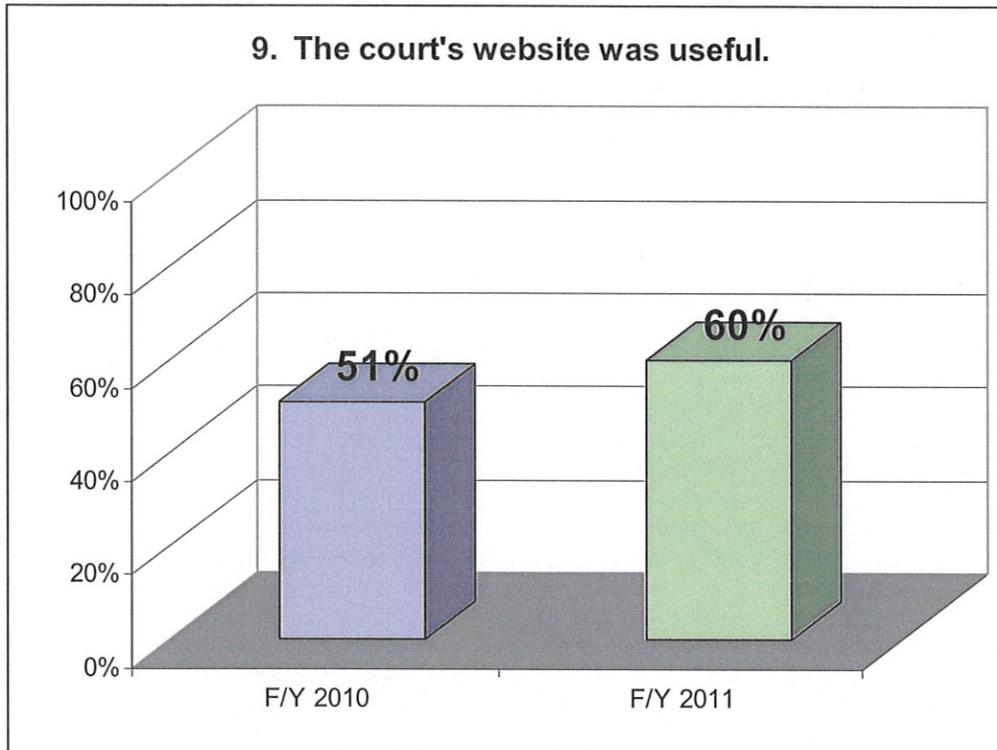
Court Performance Measures – Access and Fairness Survey



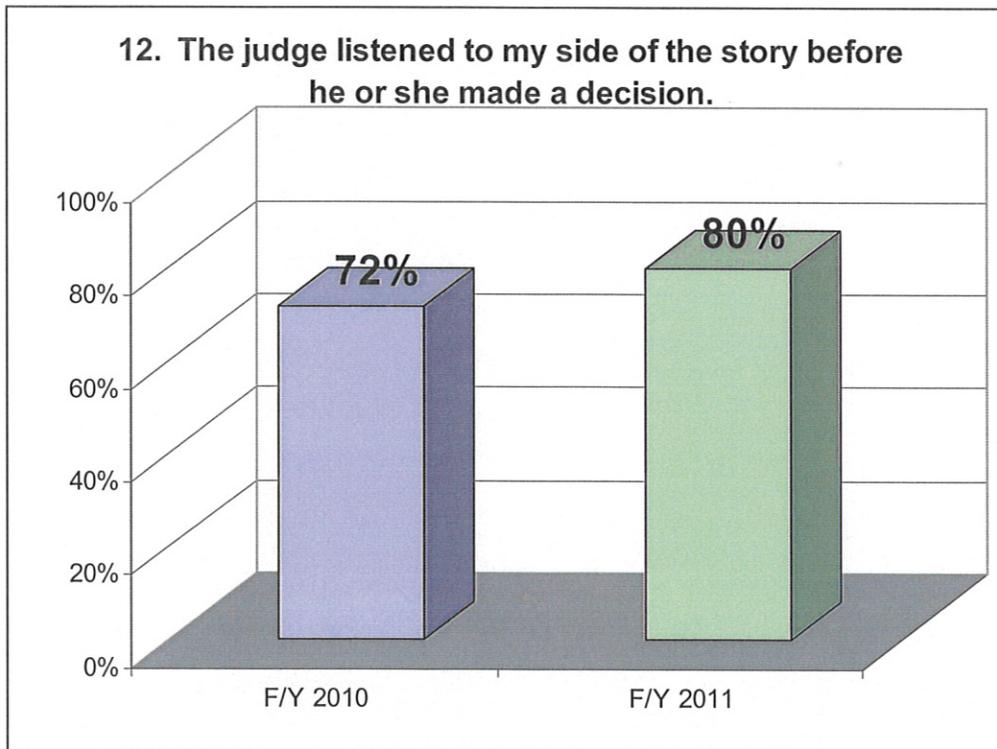
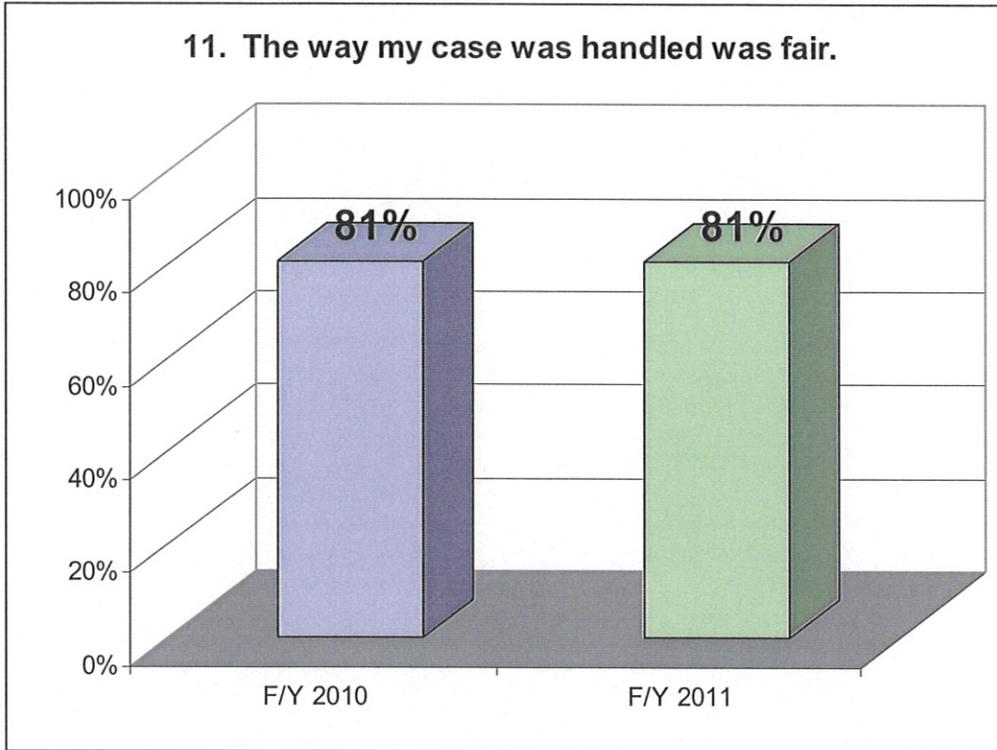
Court Performance Measures – Access and Fairness Survey



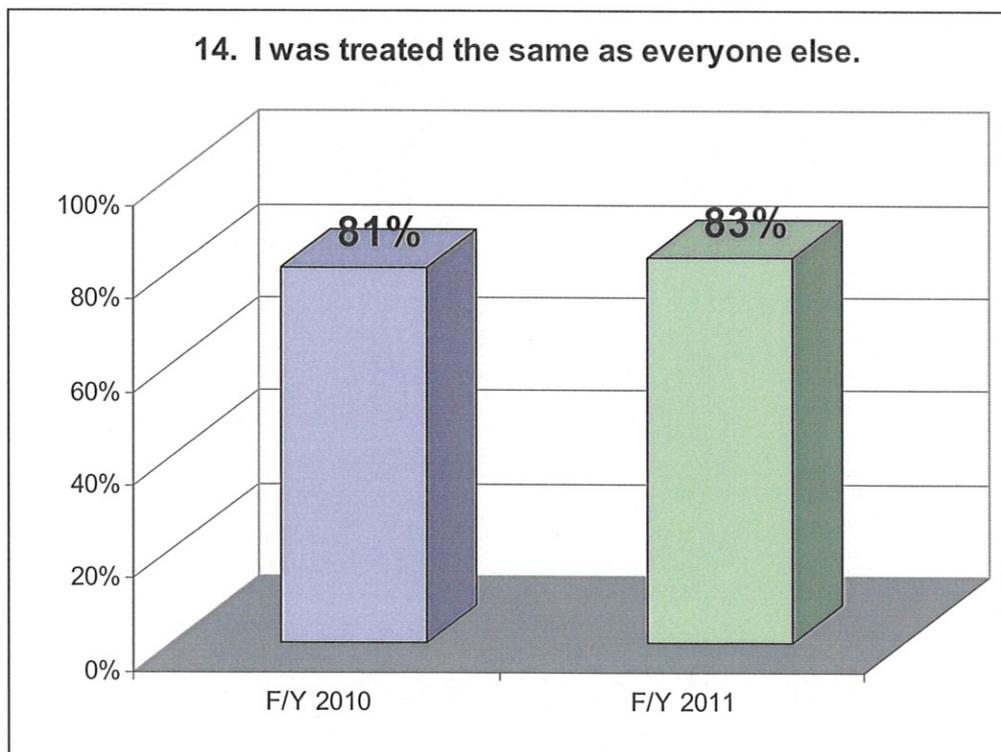
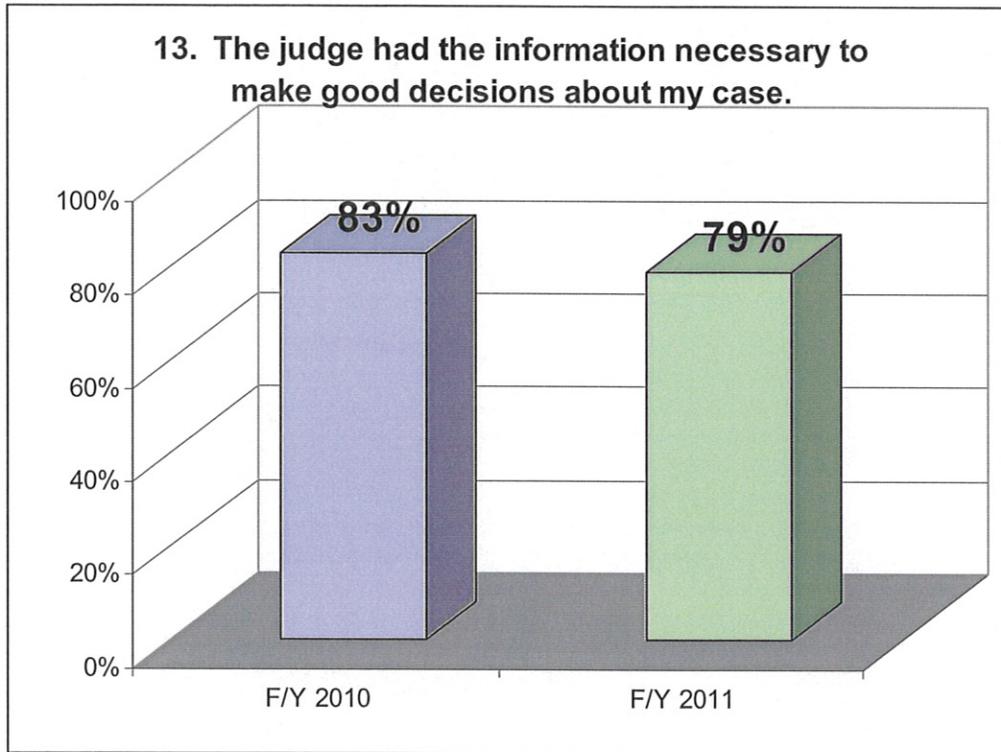
Court Performance Measures – Access and Fairness Survey

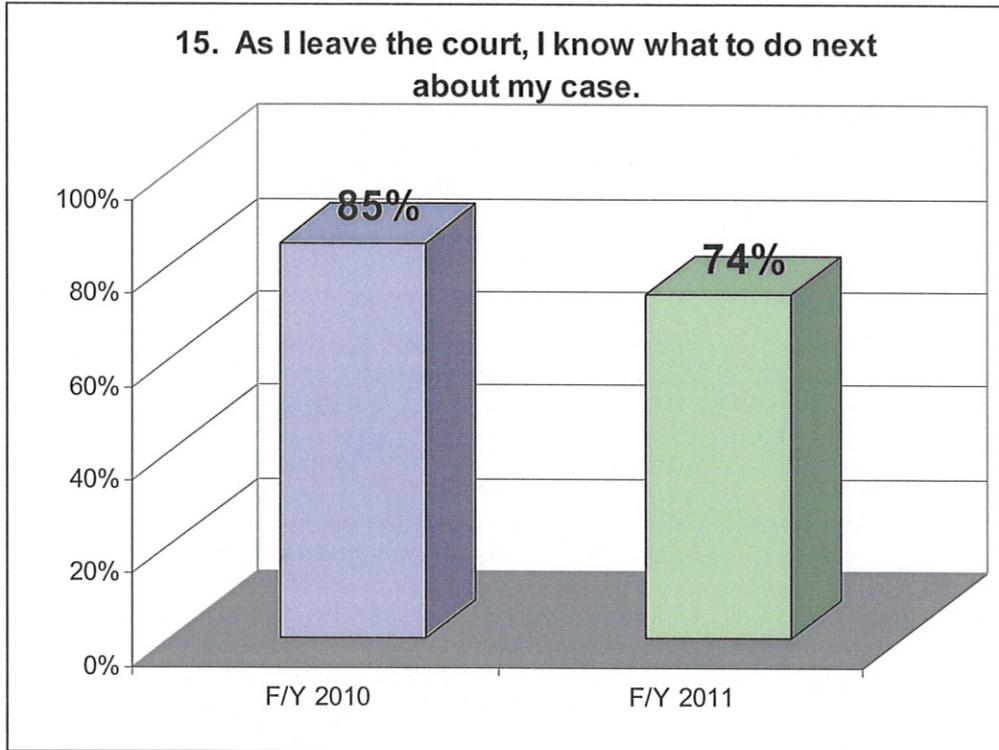


Court Performance Measures – Access and Fairness Survey



Court Performance Measures – Access and Fairness Survey







Town Council Regular Session

Item # 1.

Meeting Date: 04/06/2011

Requested by: Julie K. Bower

Submitted By:

Mike Standish, Town
Clerk's Office

Department: Town Clerk's Office

SUBJECT:

PUBLIC HEARING - DISCUSSION AND POSSIBLE ACTION REGARDING AN APPLICATION FOR A SERIES 12 (RESTAURANT) LIQUOR LICENSE FOR PICAZZO'S ORGANIC ITALIAN KITCHEN LOCATED AT 7850 N. ORACLE ROAD

RECOMMENDATION:

Staff recommends approval of this liquor license to the Arizona State Liquor Board for the following reasons:

1. No protests to this license have been received.
2. The necessary background investigation was conducted by the Police Department.
3. The Police Department has no objections to the approval of the Series 12 Liquor License.

EXECUTIVE SUMMARY:

An application has been submitted by Ms. Theresa Morse for a Series 12 (Restaurant) Liquor License for Picazzo's Organic Italian Kitchen located at 7850 N. Oracle Road. Agent/owner Ms. Theresa Morse has submitted all necessary paperwork to the State Liquor Board and to the Town of Oro Valley and has paid all related fees associated with applying for the liquor license.

Owner/Agent Theresa Morse has filed for a new series 12 liquor license due to a change in ownership from Tucson Pie, LLC to Picazzo's Organic Italian Kitchen.

BACKGROUND OR DETAILED INFORMATION:

In accordance with Section 4-201 of the Arizona Revised Statutes, the application was posted for 20 days on the premises of the applicant's property, ending March 15, 2011. No protests were received during this time period. Police Chief Daniel Sharp completed a standard background check on Picazzo's Organic Italian Kitchen and Owner/Agent Theresa Morse and controlling person Daniel D. Russell and has no objection to the approval of the Series 12 (Restaurant) Liquor License.

Series 12 Liquor License Description: Allows the holder of a restaurant license to sell and serve spirituous liquor solely for consumption on the premises of an establishment which derives at least forty percent (40%) of its gross revenue from the sale of food.

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

I MOVE to (recommend, deny) approval of the issuance of the Series 12 Liquor License to the Arizona State Liquor Board for Ms. Theresa Morse for Picazzo's Organic Italian Kitchen located at 7850 N. Oracle Road.

Attachments

Picazzo's Liquor License

DANIEL G. SHARP
CHIEF OF POLICE

TO: Mike Standish

FROM:  Daniel G. Sharp

DATE: March 16, 2011

RE: Background Investigation, Application for Liquor License
Picazzo's Gourmet Pizza Salads and Pasta
7850 N. Oracle Road

On March 16, 2011, the Oro Valley Police Department completed the standard background check on Picazzo's Gourmet Pizza Salads and Pasta Agent Theresa June Morse and controlling person Daniel D Russell. Picazzo's Gourmet Pizza Salads and Pasta currently has a Liquor License for their three Phoenix Valley locations and this application is for renewal at their location in Oro Valley.

The Oro Valley Police Department has no objection for the issuance of a liquor license to Picazzo's Gourmet Pizza Salads and Pasta at 7850 N. Oracle Road.

AMENDMENT

AMENDMENT

APPLICATION FOR LIQUOR LICENSE
 TYPE OR PRINT WITH BLACK INK

Notice: Effective Nov. 1, 1997, All Owners, Agents, Partners, Stockholders, Officers, or Managers actively involved in the day to day operations of the business must attend a Department approved liquor law training course or provide proof of attendance within the last five years. See page 5 of the Liquor Licensing requirements.

SECTION 1 This application is for a:

- MORE THAN ONE LICENSE
- INTERIM PERMIT *Complete Section 5*
- NEW LICENSE *Complete Sections 2, 3, 4, 13, 14, 15, 16*
- PERSON TRANSFER (Bars & Liquor Stores ONLY)
Complete Sections 2, 3, 4, 11, 13, 15, 16
- LOCATION TRANSFER (Bars and Liquor Stores ONLY)
Complete Sections 2, 3, 4, 12, 13, 15, 16
- PROBATE/WILL ASSIGNMENT/DIVORCE DECREE
Complete Sections 2, 3, 4, 9, 13, 16 (fee not required)
- GOVERNMENT *Complete Sections 2, 3, 4, 10, 13, 15, 16*

SECTION 2 Type of ownership:

- J.T.W.R.O.S. *Complete Section 6*
- INDIVIDUAL *Complete Section 6*
- PARTNERSHIP *Complete Section 6*
- CORPORATION *Complete Section 7*
- LIMITED LIABILITY CO. *Complete Section 7*
- CLUB *Complete Section 8*
- GOVERNMENT *Complete Section 10*
- TRUST *Complete Section 6*
- OTHER (Explain) _____

SECTION 3 Type of license and fees LICENSE #(s): 12104105

1. Type of License(s): _____

2. Total fees attached: \$ _____

Department Use Only

APPLICATION FEE AND INTERIM PERMIT FEES (IF APPLICABLE) ARE NOT REFUNDABLE.
 The fees allowed under A.R.S. 44-6852 will be charged for all dishonored checks.

SECTION 4 Applicant

1. Owner/Agent's Name: Mr. MORSE Theresa JUN
 (Insert one name ONLY to appear on license) Last First Middle

2. Corp./Partnership/L.L.C.: _____
 (Exactly as it appears on Articles of Inc. or Articles of Org.)

3. Business Name: _____
 (Exactly as it appears on the exterior of premises)

4. Principal Street Location _____ Crowley Pima 85704
 (Do not use PO Box Number) City County Zip

5. Business Phone: _____ Daytime Contact: _____

6. Is the business located within the incorporated limits of the above city or town? YES NO

7. Mailing Address: _____ Crowley AZ 85704
 City State Zip

8. Price paid for license only bar, beer and wine, or liquor store: Type _____ \$ _____ Type _____ \$ _____

DEPARTMENT USE ONLY

Fees: Application _____ Interim Permit _____ Agent Change _____ Club _____ Finger Prints \$ _____

TOTAL OF ALL FEES

Is Arizona Statement of Citizenship & Alien Status For State Benefits complete? YES NO

Accepted by: _____ Date: _____ Lic. # _____

AMENDMENT

Arizona Department of Liquor Licenses and Control

800 West Washington, 5th Floor

Phoenix, Arizona 85007

www.azliquor.gov

602-542-5141

APPLICATION FOR LIQUOR LICENSE

TYPE OR PRINT WITH BLACK INK

Notice: Effective Nov. 1, 1997, All Owners, Agents, Partners, Stockholders, Officers, or Managers actively involved in the day to day operations of the business must attend a Department approved liquor law training course or provide proof of attendance within the last five years. See page 5 of the Liquor Licensing requirements.

SECTION 1 This application is for a:

- MORE THAN ONE LICENSE
INTERIM PERMIT Complete Section 5
NEW LICENSE Complete Sections 2, 3, 4, 13, 14, 15, 16
PERSON TRANSFER (Bars & Liquor Stores ONLY) Complete Sections 2, 3, 4, 11, 13, 15, 16
LOCATION TRANSFER (Bars and Liquor Stores ONLY) Complete Sections 2, 3, 4, 12, 13, 15, 16
PROBATE/WILL ASSIGNMENT/DIVORCE DECREE Complete Sections 2, 3, 4, 9, 13, 16 (fee not required)
GOVERNMENT Complete Sections 2, 3, 4, 10, 13, 15, 16

SECTION 2 Type of ownership:

- J.T.W.R.O.S. Complete Section 6
INDIVIDUAL Complete Section 6
PARTNERSHIP Complete Section 6
CORPORATION Complete Section 7
LIMITED LIABILITY CO. Complete Section 7
CLUB Complete Section 8
GOVERNMENT Complete Section 10
TRUST Complete Section 6
OTHER (Explain)

SECTION 3 Type of license and fees LICENSE #(s):

1. Type of License(s): RESTAURANT SERIES 12

1210 4105

2. Total fees attached: \$

Department Use Only

APPLICATION FEE AND INTERIM PERMIT FEES (IF APPLICABLE) ARE NOT REFUNDABLE.

The fees allowed under A.R.S. 44-6852 will be charged for all dishonored checks.

SECTION 4 Applicant

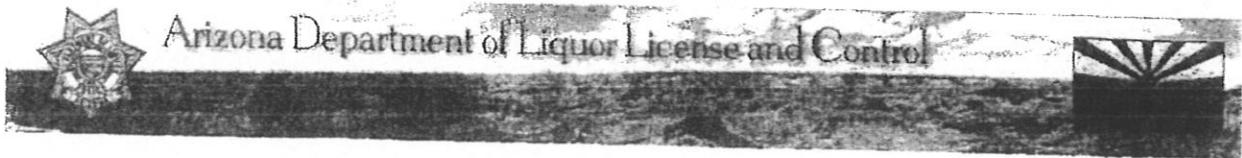
- Owner/Agent's Name: Mr. MORSE THERESA JUNE (First, Last, Middle)
Corp./Partnership/L.L.C.: Picazzos Organic Italian Kitchen N.Tucson, LLC B10 45623
Business Name: PICAZZOS ORGANIC ITALIAN KITCHEN B1003153
Principal Street Location: 7850 N ORACLE RD TUCSON ORO Valley PIMA 85704
Business Phone: PENDING Daytime Contact:
Is the business located within the incorporated limits of the above city or town? YES NO
Mailing Address: 7850 N. ORACLE ROAD TUCSON ORO Valley ARIZONA 85704
Price paid for license only bar, beer and wine, or liquor store: Type \$ Type \$

DEPARTMENT USE ONLY

Fees: Application 100 Interim Permit 100 Agent Change Club Finger Prints \$ 24 TOTAL OF ALL FEES 224-

Is Arizona Statement of Citizenship & Alien Status For State Benefits complete? YES NO on file

Accepted by: JW Date: 2-15-11 Lic. # 1210 4105



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License Types: Series 12 Restaurant License

Non-transferable
On-sale retail privileges

Note: Terms in **BOLD CAPITALS** are defined in the [glossary](#).

PURPOSE:

Allows the holder of a restaurant license to sell and serve spirituous liquor solely for consumption on the premises of an establishment which derives at least forty percent (40%) of its gross revenue from the sale of food.

ADDITIONAL RIGHTS AND RESPONSIBILITIES:

An applicant for a restaurant license must file a copy of its restaurant menu and Restaurant Operation Plan with the application. The Plan must include listings of all restaurant equipment and service items, the restaurant seating capacity, and other information requested by the department to substantiate that the restaurant will operate in compliance with Title 4.

The licensee must notify the Department, in advance, of any proposed changes in the seating capacity of the restaurant or dimensions of a restaurant facility.

A restaurant licensee must maintain complete restaurant services continually during the hours of selling and serving of spirituous liquor, until at least 10:00 p.m. daily, if any spirituous liquor is to be sold and served up to 2:00 a.m.

On any original applications, new managers and/or the person responsible for the day-to-day operations must attend a basic and management training class.

A licensee acting as a **RETAIL AGENT**, authorized to purchase and accept **DELIVERY** of spirituous liquor by other licensees, must receive a certificate of registration from the Department.

A **PREGNANCY WARNING SIGN** for pregnant women consuming spirituous liquor must be posted within twenty (20) feet of the cash register or behind the bar.

A log must be kept by the licensee of all persons employed at the premises including each employee's name, date and place of birth, address and responsibilities.

Bar, beer and wine bar, and restaurant licensees must pay an annual surcharge of \$20.00. The money collected from these licensees will be used by the Department for an auditor to review compliance by restaurants with the restaurant licensing provisions of ARS 4-205.02.

AVERAGE APPROVAL TIME: Sixty-five (65) to one-hundred five (105) days.

PERIOD OF ISSUANCE: One (1) year with option to renew.

FEES: Non-refundable application fee: \$100.00
Fingerprint fee per card: Contact Department
Interim Permit fee: \$100.00

Upon approval:
Final fees (full year): \$2,000.00
Final fees (half year): \$1,750.00
Annual renewal fee (includes **SURCHARGE**): \$585.00

ARIZONA STATUTES AND REGULATIONS:

ARS 4-119, 4-201, 4-202, 4-203, 4-205.02, 4-205.06, 4-209(B)(12), 4-209(D)(12), 4-209(I), 4-213, 4-222, 4-261; Rule R19-1-214, R19-1-231.

Copyright 2007 - Arizona Department of Liquor License & Control - Privacy Policy - Accessibility
800 W. Washington 5th floor; Phoenix, AZ 85007 - 400 W. Congress #521; Tucson, AZ 85701



2007 Liquor License Drawing Entry Form



Town Council Regular Session

Item # 2.

Meeting Date: 04/06/2011

Requested by: Tobin Rosen

Submitted By:

Julie Bower, Town Clerk's
Office

Department: Legal

SUBJECT:

POSSIBLE DIRECTION TO TOWN ATTORNEY WITH REGARD TO THE TOWN OF ORO VALLEY v. VESTAR DEVELOPMENT ET. AL. LITIGATION

RECOMMENDATION:

N/A

EXECUTIVE SUMMARY:

If the Council desires to direct the Town Attorney to take action with regard to the litigation matter which was to be discussed in executive session, such direction must be given in open session.

BACKGROUND OR DETAILED INFORMATION:

N/A

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

I MOVE to direct the Town Attorney to proceed as discussed in executive session with regard to the case of Town of Oro Valley v. Vestar Development et. al.



Town Council Regular Session

Item # 3.

Meeting Date: 04/06/2011

Requested by: Catherine Atalla

Submitted By:

Catherine Atalla, Parks
Recreations Library CR

Department: Parks Recreations Library CR

SUBJECT:

DISCUSSION AND POSSIBLE ACTION REGARDING THE ORO VALLEY MUNICIPAL POOL
FEASIBILITY STUDY

RECOMMENDATION:

Staff recommends acceptance of the pool feasibility study.

EXECUTIVE SUMMARY:

This study, authorized by the Town Council in June 2010, includes a demographic summary and market analysis for the Town of Oro Valley and the greater market area and compares those numbers to national statistics. An aquatic event analysis is also provided to identify opportunities for hosting competition events. The market orientation outlines specific market areas to include types of activities, programming opportunities and target audience groups. A detailed summary of information gathered from community users, teams and high schools as well as Town staff and management is also included. A full assessment of the Oro Valley Municipal Pool is provided and includes current uses, physical condition and current operations.

A three-phase approach was developed and based on the following goals:

1. Reduce the current operational subsidy required annually for the pool;
2. Increase the rate of utilization of the pool, especially among residents of Oro Valley;
3. Improve the ability of the pool to host competitive swimming on both the local and regional level.

Estimates of probable costs and project timelines are included for each of the three phases as well as operations and economic impact projections. The final section of the report includes possible funding options

Ken Ballard, President of Ballard King & Associates, Ltd. and Doug Whiteaker, Principal of Water Technology Inc. will deliver a presentation outlining the specific results of the feasibility study and will be available for questions.

BACKGROUND OR DETAILED INFORMATION:

The Town Council approved funding for a feasibility study to be conducted regarding the Oro Valley Municipal Pool on June 16, 2010. The bid was awarded to Ballard King & Associates in partnership with Water Technology Inc. in November 2010. Extensive research has been completed to address the economic impacts associated with potential renovations and/or new construction at the Oro Valley Municipal Pool facility.

Within the current facility, there are some areas where spalling concrete on the pool deck is evident and the surface coating needs to be reapplied. The park-like site is accessible to community users and is certainly upgradeable for extended life for continued recreational, programmatic and competition use.

Specific areas of concern are the entrance building, changing facilities, wading area, shade availability, mechanical systems, deck surface and the potential for expanded programming with additional pools that may increase the need for parking.

The study is based on design standards set forth by the swimming and recreation pool industry. The design and configuration of competition and recreational swimming pools have changed dramatically over the years. The Oro Valley Municipal Pool is a 1970's design. Today's community aquatic facilities usually incorporate a shallow water area for smaller children to enjoy. The current competition pool would still be a component of the design; however, the majority of recreation pools that are being designed today are multi-tasked leisure pools. These pools offer zero depth entries, interactive play features, playful water sprays and orientations that provide for family togetherness in a safe environment.

The complete Oro Valley Municipal Pool Feasibility Study is attached.

FISCAL IMPACT:

There is no fiscal impact associated with acceptance of the pool feasibility study. Potential facility enhancement options and associated cost estimates are included in the report.

SUGGESTED MOTION:

I MOVE to (accept, not accept) the Oro Valley Municipal Pool Feasibility Study.

Attachments

Pool Feasibility Study



Final Report

Oro Valley Municipal Pool Study



BALLARD* KING
& ASSOCIATES LTD



Ken Ballard
Ballard*King & Associates
2743 E. Ravenhill Cir.
Highlands Ranch, CO 80126
(303) 470-8661
ken@ballardking.com

Doug Whiteaker
Water Technology, Inc.
100 Park Ave.
Beaver Dam, WI 53916
(800) 538-8207
dwhiteaker@watertechnologyinc.com

April 6, 2011

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Section I – Demographic Summary & Market Analysis

The Town of Oro Valley is exploring the concept of re-developing the existing Oro Valley Municipal Pool. The following market analysis looks at the demographic realities within the Town of Oro Valley and the greater market area and compares those numbers to national statistics. There is also a comparison with basic swimming and sports participation standards as produced by the National Sporting Goods Association. Following this information is an assessment of the other outdoor aquatic providers in the Tucson area.

Service Areas: The focus of this market analysis is the Town of Oro Valley proper. With that information in mind and knowing that a large competitive aquatic facility serves a much bigger market area, a larger secondary service area has been identified along with a tertiary service area that encompasses the greater Tucson metropolitan area.

A primary service area (Town of Oro Valley) usually defines the distance people will travel for the use of an aquatic center for fitness, recreation and programmatic uses. A Secondary Service Area usually represents the distance swimmers will travel for competitive practices or events. The Tertiary Service Area is a geographic region that represents more occasional users for specific meets, or training opportunities.

Service areas can also be based upon a facility's proximity to major thoroughfares. Other factors impacting the use as it relates to driving distance are the presence of alternative service providers in the Primary and Secondary Service Areas. Alternative service providers can have an impact upon membership, daily admissions and the associated penetration rates for programs and services.



Table A - Service Area Statistics & Comparison

Population Comparison:

	2000 Census	2010 Estimate	2015 Projection
Town of Oro Valley	29,700	41,011 (actual)	45,757
Secondary Service Area	99,799	120,175	129,553
Tertiary Service Area	789,004	927,131	985,727

Number of Households Comparison:

	2000 Census	2010 Estimate	2015 Projection
Town of Oro Valley	12,249	16,822	18,855
Secondary Service Area	41,126	49,575	53,609
Tertiary Service Area	309,152	359,996	383,110

Number of Families Comparison:

	2000 Census	2010 Estimate	2015 Projection
Town of Oro Valley	9,380	12,748	14,148
Secondary Service Area	28,526	33,519	35,775
Tertiary Service Area	195,886	222,929	234,348

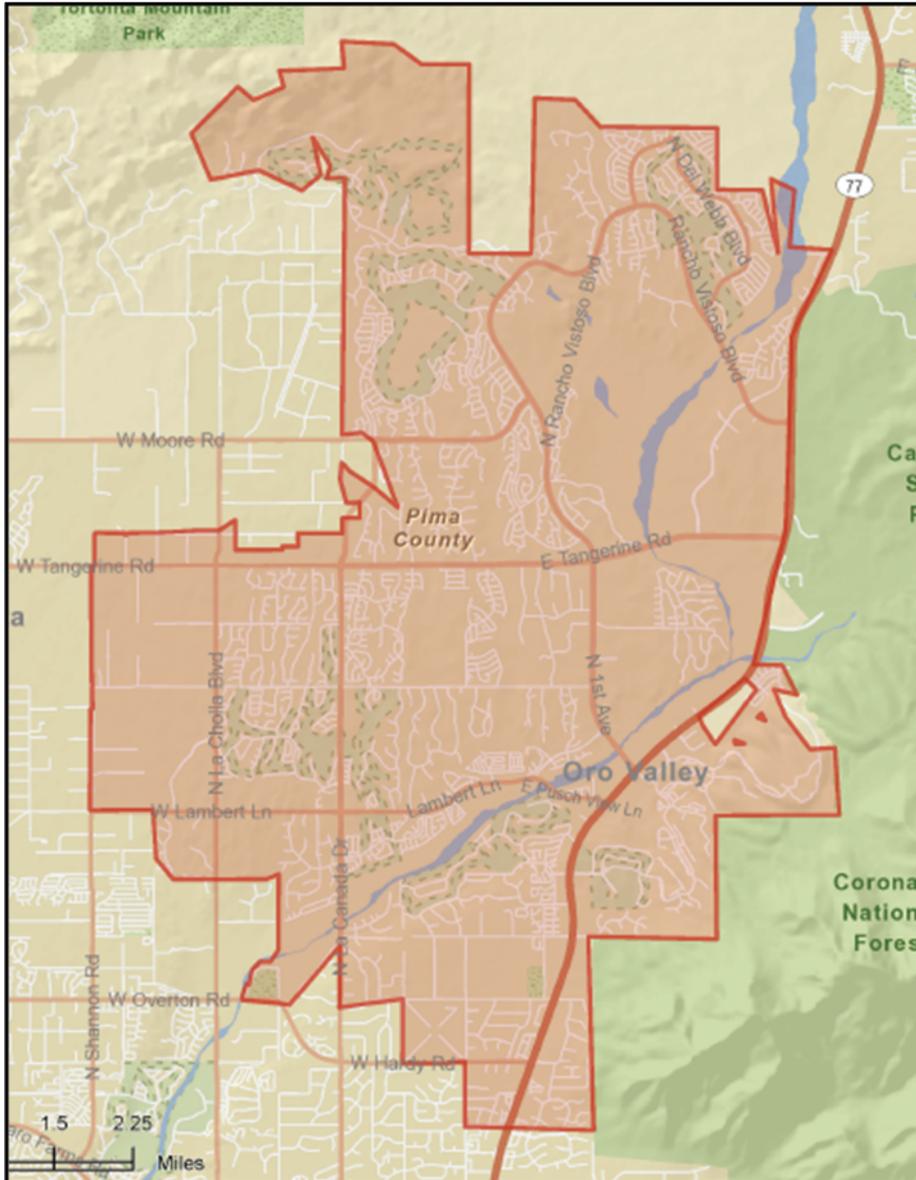
Average Household Size Comparison

	2000 Census	2010 Estimate	2015 Projection
Town of Oro Valley	2.41	2.42	2.42
Secondary Service Area	2.40	2.40	2.39
Tertiary Service Area	2.48	2.51	2.51
United States	2.59	2.59	2.60

Source – U.S. Census Bureau and ESRI



Map A – Town of Oro Valley



MARKET ANALYSIS

Oro Valley Municipal Pool



Population Distribution by Age: Utilizing census information for the Town of Oro Valley, the following comparisons are possible.

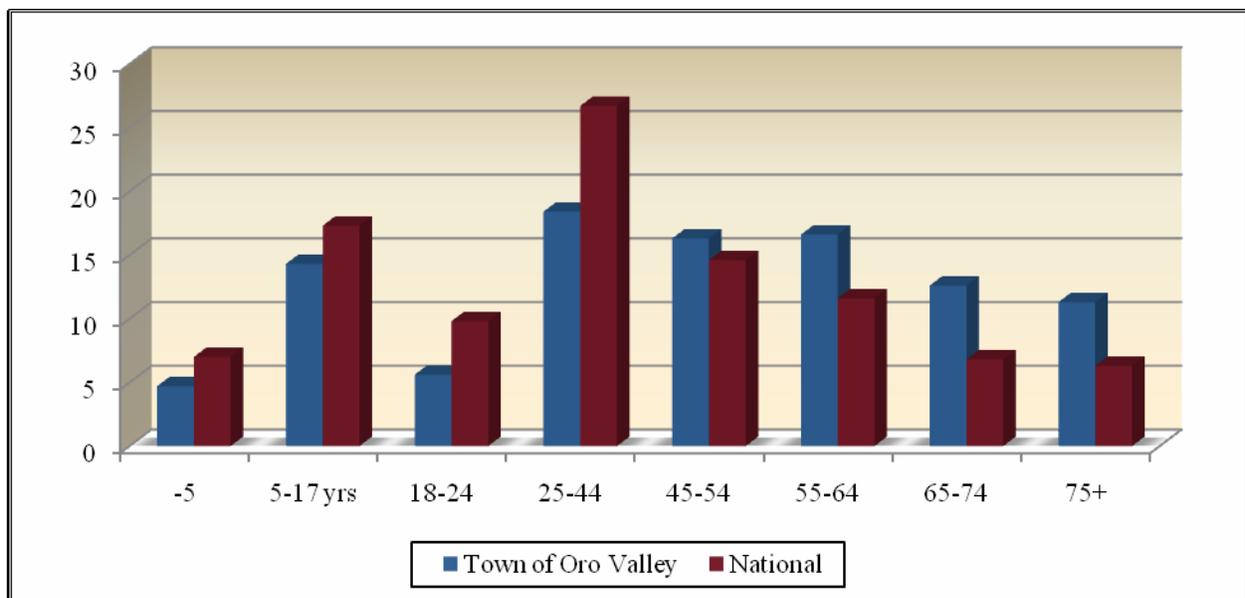
Table B – 2010 Town of Oro Valley Age Distribution

(ESRI estimates)

Ages	Population	% of Total	Nat. Population	Difference
-5	1,940	4.7%	7.0%	-2.3%
5-17	5,891	14.3%	17.3%	-3.0%
18-24	2,311	5.6%	9.8%	-4.2%
25-44	7,551	18.4%	26.7%	-8.3%
45-54	6,677	16.3%	14.6%	1.7%
55-64	6,787	16.6%	11.6%	5.0%
65-74	5,136	12.6%	6.8%	5.8%
75+	4,615	11.3%	6.3%	5.0%

- Population:** 2010 census estimates in the different age groups in the Town of Oro Valley.
- % of Total:** Percentage of the Town of Oro Valley population in the age group.
- National Population:** Percentage of the national population in the age group.
- Difference:** Percentage difference between the Town of Oro Valley population and the national population.

Chart A – 2010 Town of Oro Valley Age Group Distribution



MARKET ANALYSIS

Oro Valley Municipal Pool



The demographic makeup of the Town of Oro Valley, when compared to the characteristics of the national population, indicates that there are some differences with a larger population in the 45-54, 55-64, 65-74 and 75+ age groups and a smaller population in the -5, 5-17, 18-24 and 25-44 age groups. The largest positive variance is in the 65-74 age group with +5.8%, while the greatest negative variance is in the 25-44 age group with -8.3%.



Population Distribution Comparison by Age: Utilizing census information from the Town of Oro Valley, the following comparisons are possible.

Table C – 2010 Town of Oro Valley Population Estimates
(U.S. Census Information and ESRI)

Ages	2000 Population	2010 Population	2015 Population	Percent Change	Percent Change Nat'l
-5	1,493	1,940	2,098	40.5%	14.0%
5-17	4,899	5,891	6,205	26.7%	4.3%
18-24	1,345	2,311	2,350	74.7%	14.2%
25-44	6,984	7,551	8,864	26.9%	0.0%
45-54	4,401	6,677	6,237	41.7%	14.2%
55-64	3,838	6,787	8,155	112.5%	65.7%
65-74	4,244	5,136	6,892	62.4%	45.9%
75+	2,496	4,615	4,955	98.5%	19.5%

Chart B – Town of Oro Valley Population Growth

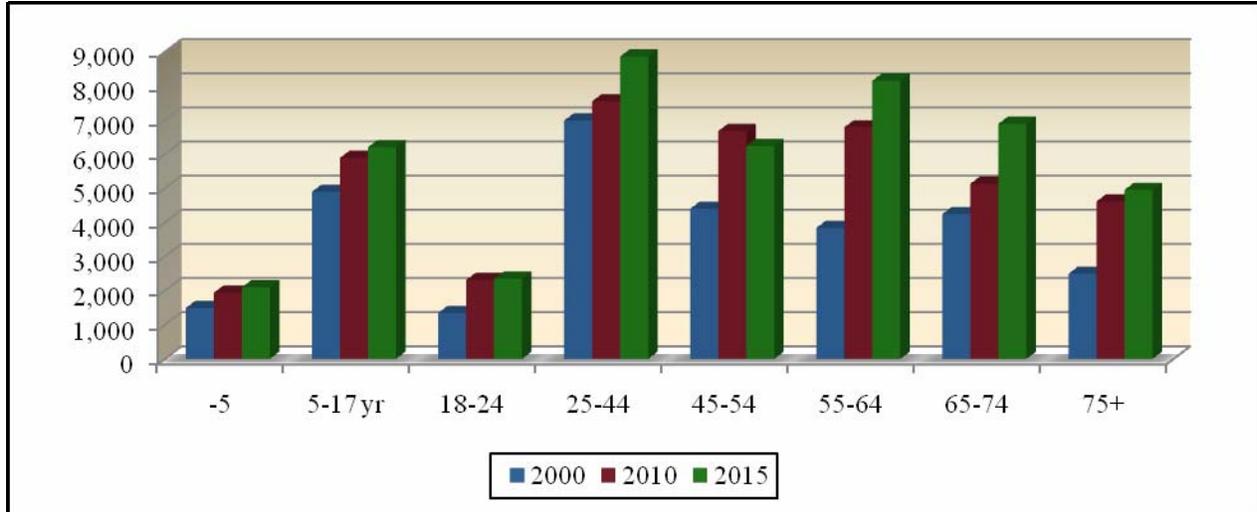


Table-C, looks at the growth or decline in age group numbers from the 2000 census until the year 2015. It is projected that all of the age categories will see a significant increase in population. It must be remembered that the population of the United States as a whole is aging and it is not unusual to find negative growth numbers in the younger age groups and net gains nearing 45% in the 45 plus age groupings in communities which are relatively stable in their population numbers.



Below is listed the distribution of the population by race and ethnicity for the Town of Oro Valley based on 2010 population estimates.

Table D – Town of Oro Valley Hispanic Population and Median Age

(Source – U.S. Census Bureau and ESRI)

Ethnicity	Total Population	Median Age	% of Population	% of Arizona
Hispanic	4,183	28.7	10.2%	31.4%

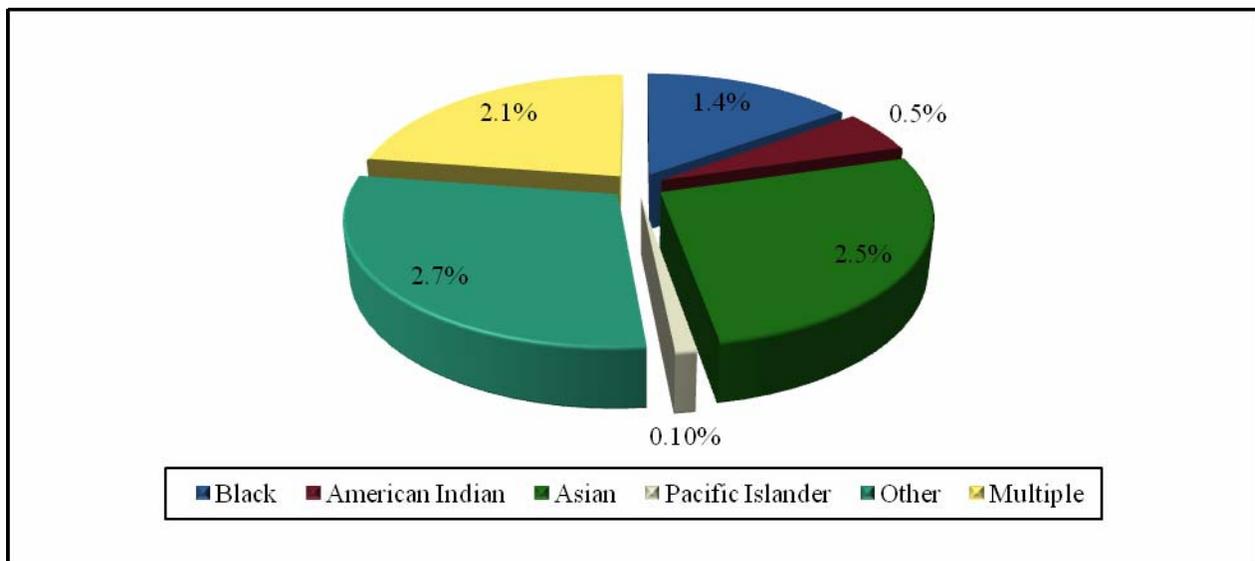
Table E – Town of Oro Valley Ethnic Population and Median Age

(Source – U.S. Census Bureau and ESRI)

Ethnicity	Total Population	Median Age	% of Population	% of Arizona
White	37,139	51.0	90.8%	71.0%
Black	552	38.2	1.4%	3.9%
American Indian	199	29.3	0.5%	4.4%
Asian	1,001	36.7	2.5%	2.3%
Pacific Islander	56	32.5	0.1%	0.2%
Other	1,112	27.3	2.7%	14.7%
Multiple	844	19.8	2.1%	3.5%

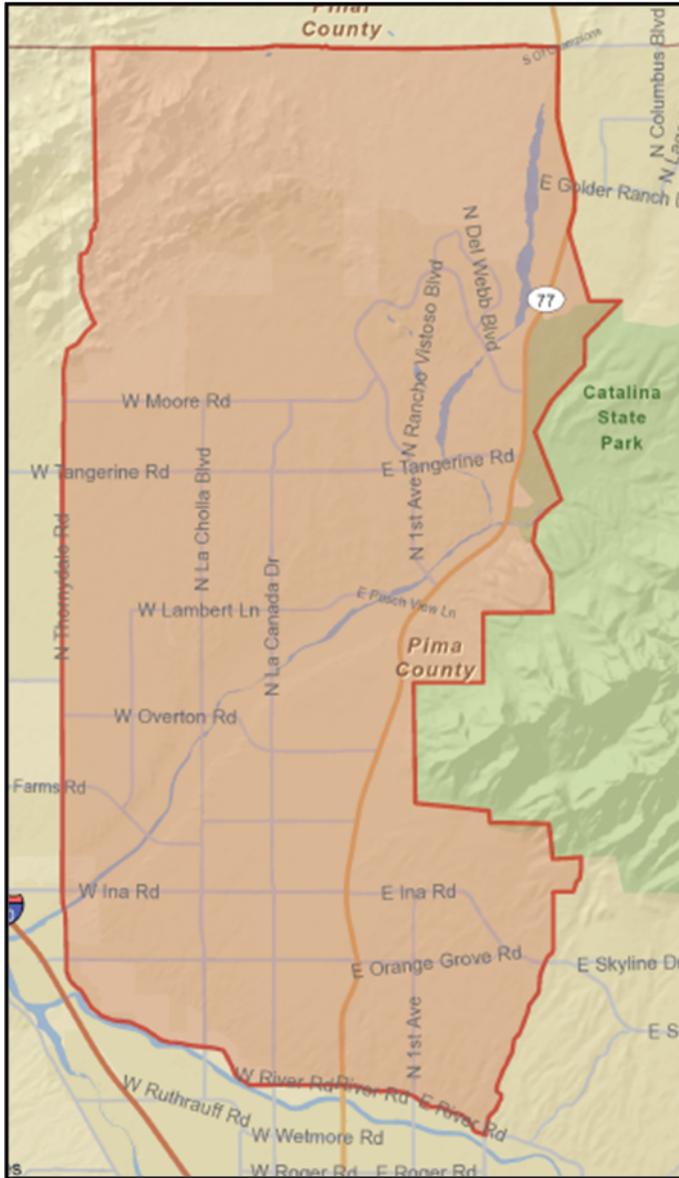
2010 Town of Oro Valley Total Population: 40,903 Residents

Chart C – Town of Oro Valley Non-White Ethnic Population





Map B – Secondary Service Area





Population Distribution by Age: Utilizing census information for the Secondary Service Area, the following comparisons are possible.

Table F – 2010 Secondary Service Area Age Distribution

(ESRI estimates)

Ages	Population	% of Total	Nat. Population	Difference
-5	6,157	5.0%	7.0%	-2.0%
5-17	17,629	14.6%	17.3%	-2.7%
18-24	8,595	7.2%	9.8%	-2.6%
25-44	27,083	22.5%	26.7%	-4.2%
45-54	18,711	15.6%	14.6%	1.0%
55-64	17,870	14.9%	11.6%	3.3%
65-74	11,975	10.0%	6.8%	3.2%
75+	12,156	10.1%	6.3%	3.8%

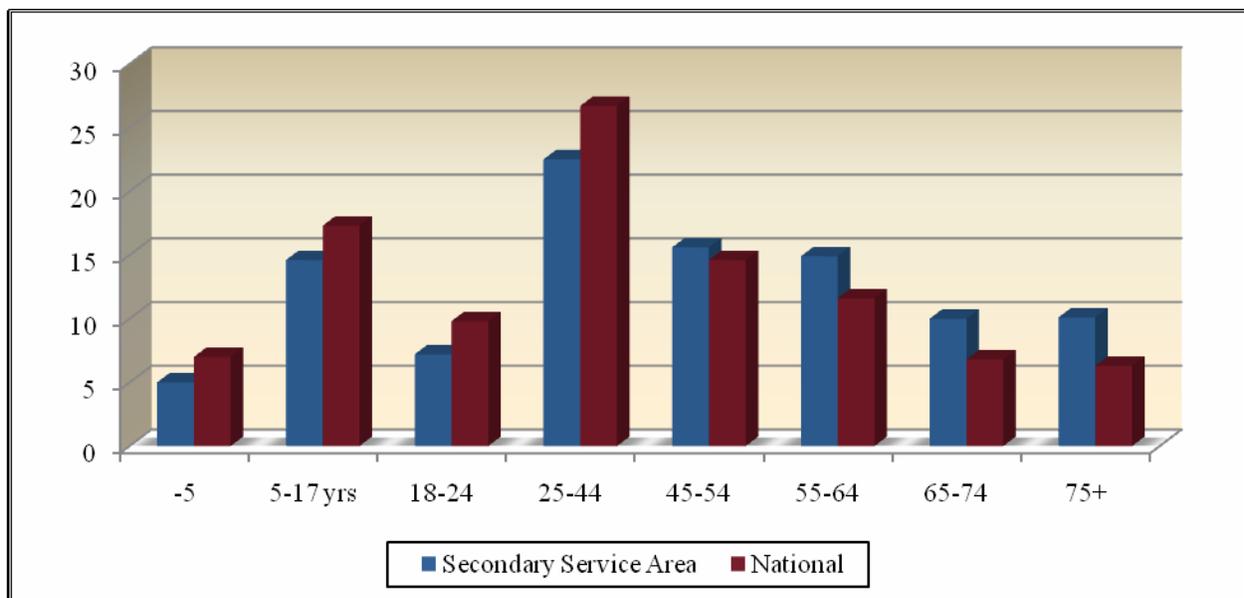
Population: 2010 census estimates in the different age groups in the Secondary Service Area.

% of Total: Percentage of the Secondary Service Area population in the age group.

National Population: Percentage of the national population in the age group.

Difference: Percentage difference between the Secondary Service Area population and the national population.

Chart D – 2010 Secondary Service Area Age Group Distribution



MARKET ANALYSIS

Oro Valley Municipal Pool



The demographic makeup of the Secondary Service Area, when compared to the characteristics of the national population, indicates that there are some differences with a larger population in the 45-54, 55-64, 65-74 and 75+ age groups and a smaller population in the -5, 5-17, 18-24 and 25-44 age groups. The largest positive variance is in the 75+ age group with +3.8%, while the greatest negative variance is in the 25-44 age group with -4.2%. These characteristics are consistent with the Town of Oro Valley.



Population Distribution Comparison by Age: Utilizing census information from the Secondary Service Area, the following comparisons are possible.

Table G – 2010 Secondary Service Area Population Estimates
(U.S. Census Information and ESRI)

Ages	2000 Population	2010 Population	2015 Population	Percent Change	Percent Change Nat'l
-5	5,251	6,157	6,544	24.6%	14.0%
5-17	17,426	17,629	18,313	5.1%	4.3%
18-24	6,973	8,595	8,735	25.3%	14.2%
25-44	26,055	27,083	29,633	13.7%	0.0%
45-54	15,478	18,711	17,383	12.3%	14.2%
55-64	10,469	17,870	19,868	89.8%	65.7%
65-74	9,533	11,975	16,288	70.9%	45.9%
75+	8,595	12,156	12,786	48.8%	19.5%

Chart E – Secondary Service Area Population Growth

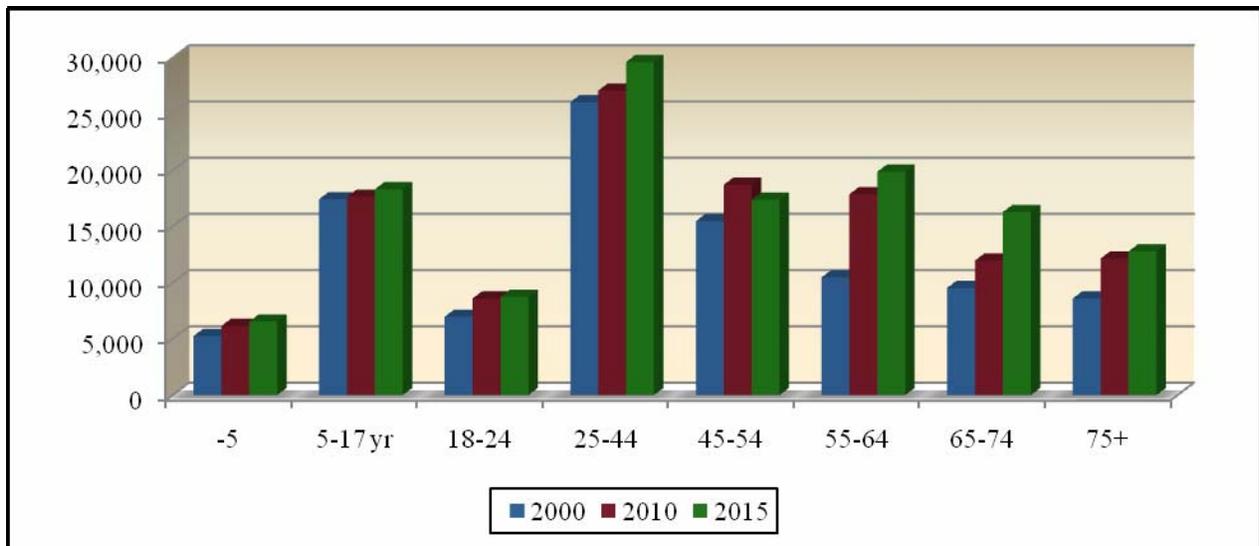


Table-G, looks at the growth or decline in age group numbers from the 2000 census until the year 2015. It is projected that all of the age categories will see an increase in population. It must be remembered that the population of the United States as a whole is aging and it is not unusual to find negative growth numbers in the younger age groups and net gains nearing 45% in the 45 plus age groupings in communities which are relatively stable in their population numbers.



Below is listed the distribution of the population by race and ethnicity for the Secondary Service Area based on 2010 population estimates.

Table H – Secondary Service Area Hispanic Population and Median Age

(Source – U.S. Census Bureau and ESRI)

Ethnicity	Total Population	Median Age	% of Population	% of Arizona
Hispanic	18,224	28.7	15.2%	31.4%

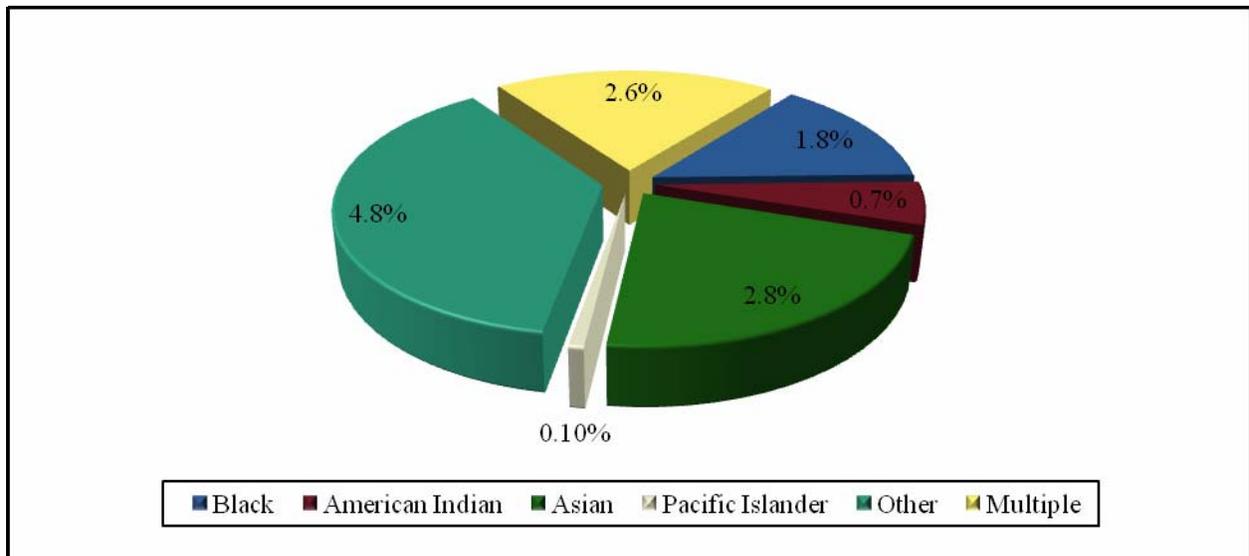
Table I – Secondary Service Area Ethnic Population and Median Age

(Source – U.S. Census Bureau and ESRI)

Ethnicity	Total Population	Median Age	% of Population	% of Arizona
White	104,852	47.5	87.3%	71.0%
Black	2,159	36.8	1.8%	3.9%
American Indian	843	28.5	0.7%	4.4%
Asian	3,309	36.0	2.8%	2.3%
Pacific Islander	122	31.5	0.1%	0.2%
Other	5,175	27.4	4.8%	14.7%
Multiple	3,149	21.7	2.6%	3.5%

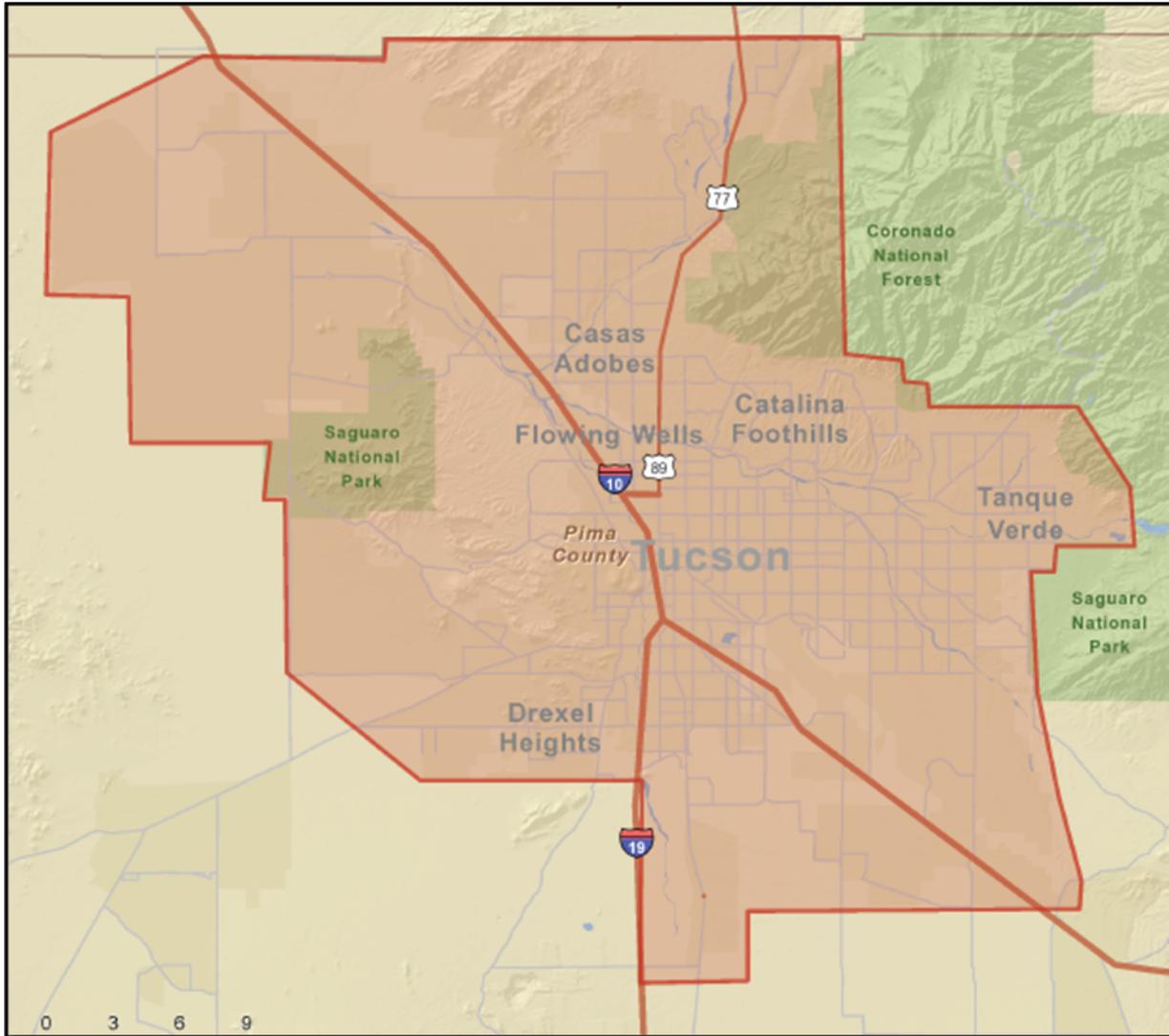
2010 Secondary Service Area Total Population: 120,175 Residents

Chart F – Secondary Service Area Non-White Ethnic Population





Map C – Tertiary Service Area





Population Distribution by Age: Utilizing census information for the Tertiary Service Area, the following comparisons are possible.

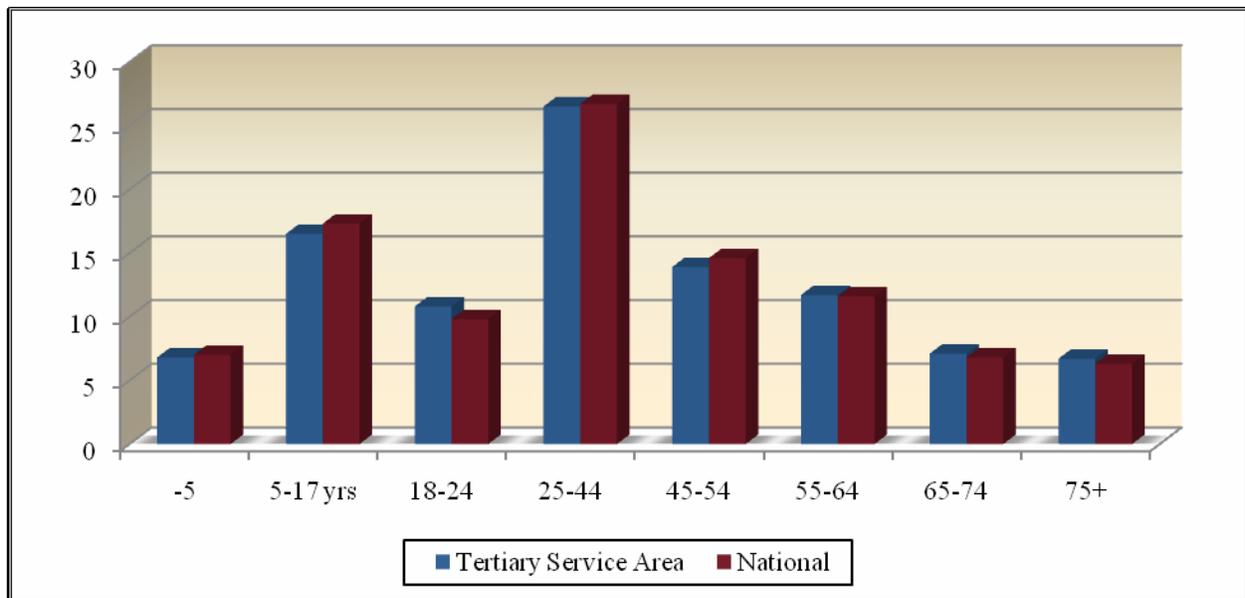
Table J – 2010 Tertiary Service Area Age Distribution

(ESRI estimates)

Ages	Population	% of Total	Nat. Population	Difference
-5	62,907	6.8%	7.0%	-0.2%
5-17	153,094	16.5%	17.3%	-0.8%
18-24	100,370	10.8%	9.8%	1.0%
25-44	245,704	26.5%	26.7%	-0.2%
45-54	128,675	13.9%	14.6%	-0.7%
55-64	108,229	11.7%	11.6%	0.1%
65-74	65,832	7.1%	6.8%	0.3%
75+	62,320	6.7%	6.3%	0.4%

- Population:** 2010 census estimates in the different age groups in the Tertiary Service Area.
- % of Total:** Percentage of the Tertiary Service Area population in the age group.
- National Population:** Percentage of the national population in the age group.
- Difference:** Percentage difference between the Tertiary Service Area population and the national population.

Chart G – 2010 Tertiary Service Area Age Group Distribution



MARKET ANALYSIS

Oro Valley Municipal Pool



The demographic makeup of the Tertiary Service Area, when compared to the characteristics of the national population, indicates that there are some differences with a larger population in the 18-24, 55-64, 65-74 and 75+ age groups and a smaller population in the -5, 5-17, 25-44 and 45-54 age groups. The largest positive variance is in the 18-24 age group with +1.0%, while the greatest negative variance is in the 5-17 age group with -0.8%. These characteristics are different than the consistency of the Town of Oro Valley and Secondary Service Area. It should be noted that the market is heavily influenced by the presence of University of Arizona students.



Population Distribution Comparison by Age: Utilizing census information from the Tertiary Service Area, the following comparisons are possible.

Table K – 2010 Tertiary Service Area Population Estimates

(U.S. Census Information and ESRI)

Ages	2000 Population	2010 Population	2015 Population	Percent Change	Percent Change Nat'l
-5	53,169	62,907	66,514	25.1%	14.0%
5-17	143,586	153,094	161,380	12.4%	4.3%
18-24	89,013	100,370	102,084	14.7%	14.2%
25-44	229,656	245,704	262,038	14.1%	0.0%
45-54	104,417	128,675	121,233	16.1%	14.2%
55-64	67,137	108,229	120,909	80.1%	65.7%
65-74	53,944	65,832	86,139	59.7%	45.9%
75+	48,082	62,320	65,430	36.1%	19.5%

Chart H – Tertiary Service Area Population Growth

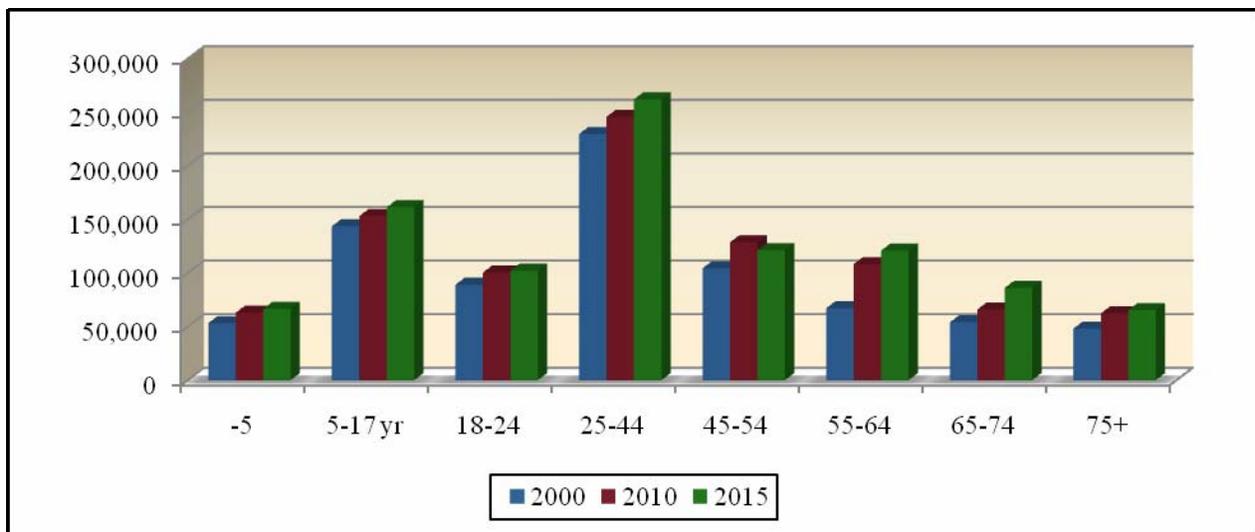


Table-K, looks at the growth or decline in age group numbers from the 2000 census until the year 2015. It is projected that all of the age categories will see an increase in population. It must be remembered that the population of the United States as a whole is aging and it is not unusual to find negative growth numbers in the younger age groups and net gains nearing 45% in the 45 plus age groupings in communities which are relatively stable in their population numbers.



Below is listed the distribution of the population by race and ethnicity for the Tertiary Service Area based on 2010 population estimates.

Table L – Tertiary Service Area Hispanic Population and Median Age

(Source – U.S. Census Bureau and ESRI)

Ethnicity	Total Population	Median Age	% of Population	% of Arizona
Hispanic	326,861	26.8	35.3%	31.4%

Table M – Tertiary Service Area Ethnic Population and Median Age

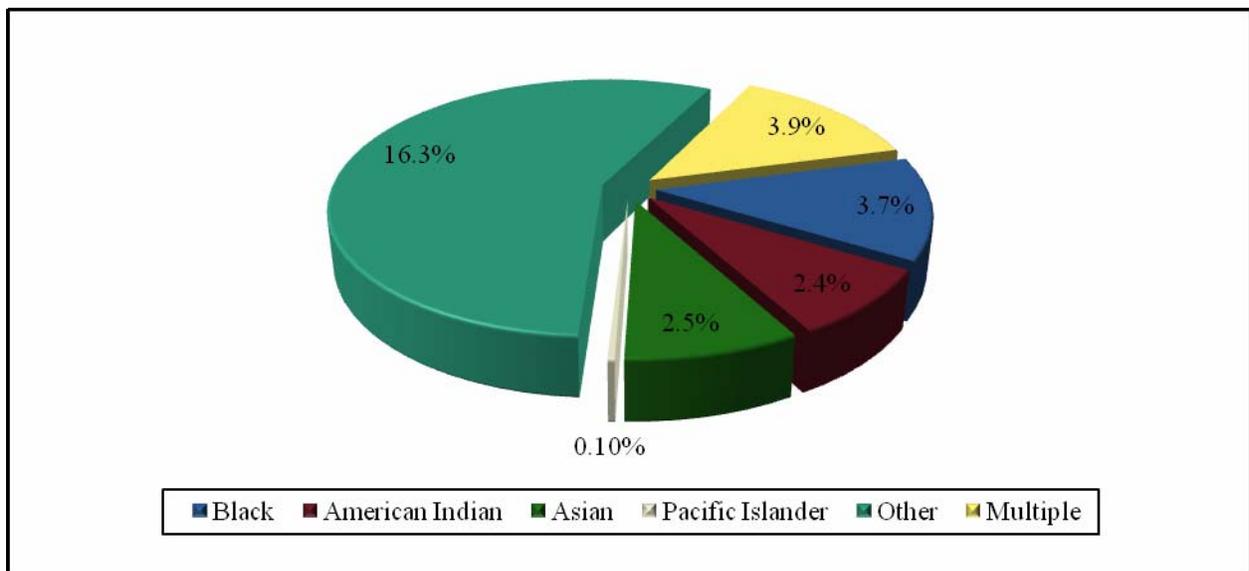
(Source – U.S. Census Bureau and ESRI)

Ethnicity	Total Population	Median Age	% of Population	% of Arizona
White	659,180	42.2	71.1%	71.0%
Black	34,715	31.7	3.7%	3.9%
American Indian	21,819	26.5	2.4%	4.4%
Asian	22,979	32.2	2.5%	2.3%
Pacific Islander	1,294	28.4	0.1%	0.2%
Other	151,305	25.2	16.3%	14.7%
Multiple	35,839	21.8	3.9%	3.5%

2010 Tertiary Service Area Total Population:

927,131 Residents

Chart I – Tertiary Service Area Ethnic Population



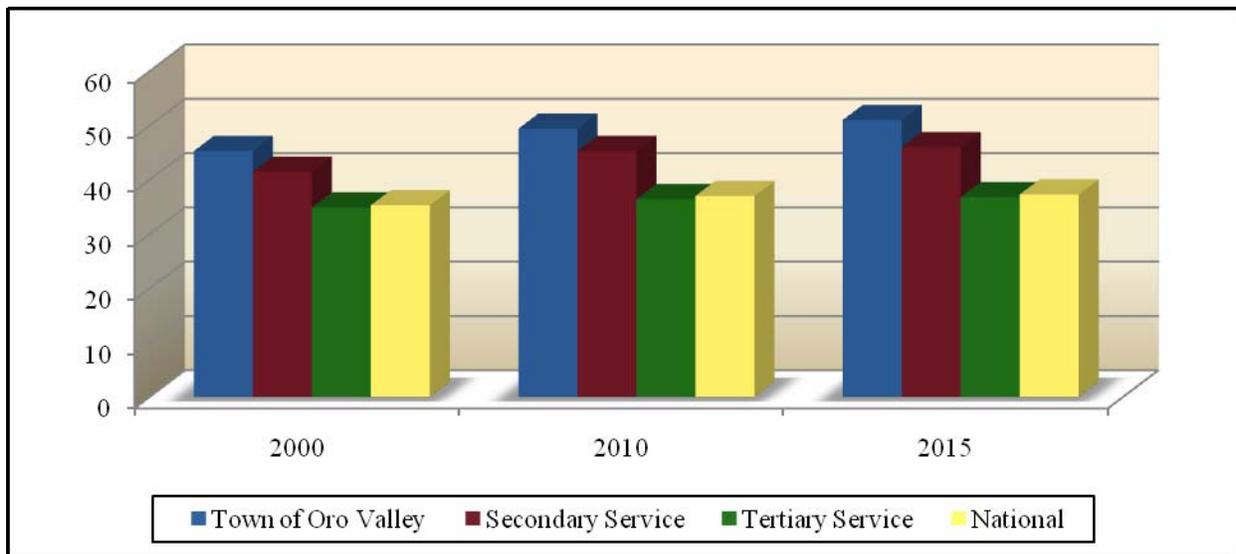


Next, the median age and household income levels are compared with the national number. Both of these factors are primary determiners of participation in recreation activities. The lower the median age, the higher the participation rates are for most activities. The level of participation also increases as the income level goes up.

Table N - Median Age:

	2000 Census	2010 Estimate	2015 Projection
Town of Oro Valley	45.3	49.4	51.0
Secondary Service Area	41.5	45.3	46.0
Tertiary Service Area	34.9	36.4	36.8
Nationally	35.3	37.0	37.3

Chart J – Median Age



With the median age in the Town of Oro Valley and the Secondary Service Area being above the National number it would indicate a slightly older population. In contrast the median age in the Tertiary Service Area being even with the National number it would indicate a slightly younger population in contrast. It will be important to focus on facility components that will address the needs of all age groups and equally important will be the programming of the facility.



Map D - Median Age of Secondary Service Area by Census Tracts

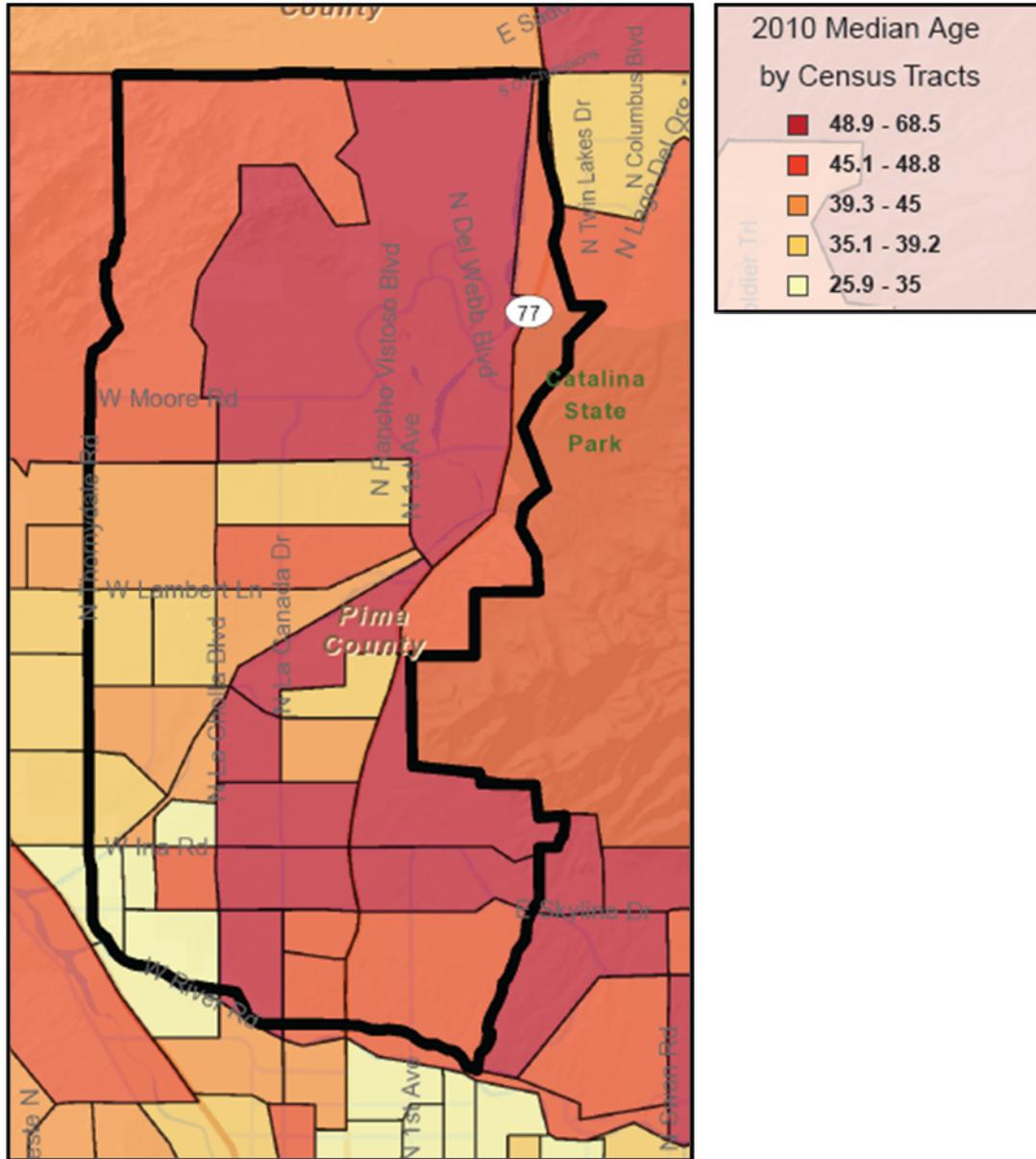
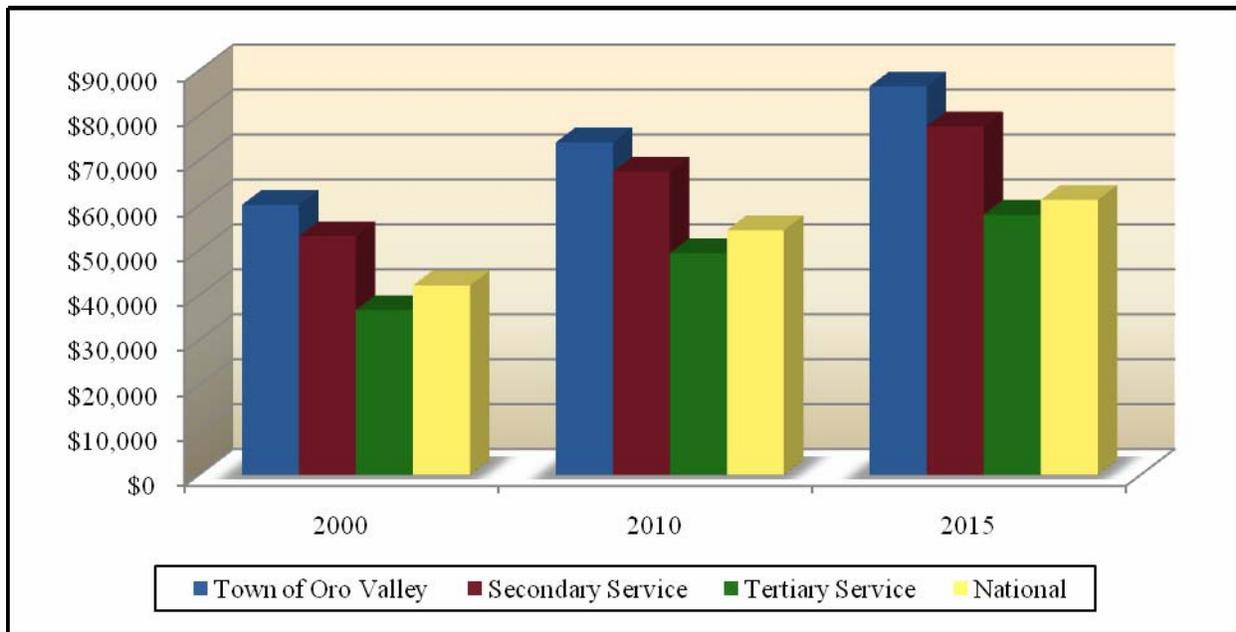


Table O - Median Household Income:

	2000 Census	2010 Estimate	2015 Projection
Town of Oro Valley	\$60,960	\$73,999	\$86,466
Secondary Service Area	\$53,126	\$67,520	\$77,577
Tertiary Service Area	\$36,677	\$49,329	\$57,900
Nationally	\$42,164	\$54,442	\$61,189

Chart K – Median Household Income



MARKET ANALYSIS

Oro Valley Municipal Pool



In the Town of Oro Valley the percentage of households with median income over \$50,000 per year is 74.0% compared to 54.5% on a national level. Furthermore, the percentage of the households in the town with median income less than \$25,000 per year is 8.4% compared to a level of 20.7% nationally.

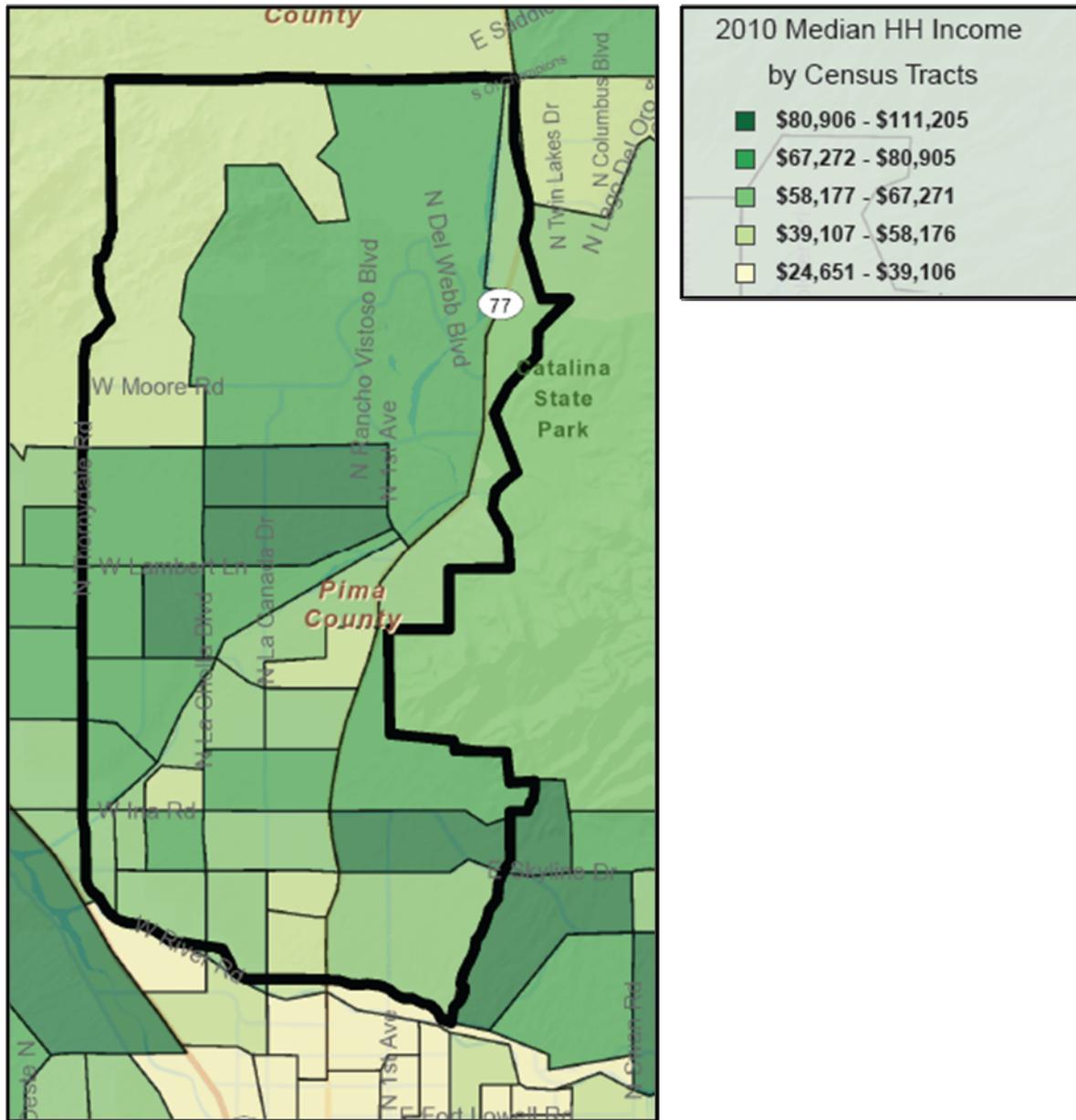
In the Secondary Service Area the percentage of households with median income over \$50,000 per year is 68.0% compared to 54.5% on a national level. Furthermore, the percentage of the households in the Secondary Service Area with median income less than \$25,000 per year is 11.1% compared to a level of 20.7% nationally.

In the Tertiary Service Area the percentage of households with median income over \$50,000 per year is 49.4% compared to 54.5% on a national level. Furthermore, the percentage of the households in the Tertiary Service Area with median income less than \$25,000 per year is 22.7% compared to a level of 20.7% nationally.

These statistics indicate there may be a slightly higher level of discretionary income within the Town of Oro Valley and the Secondary Service Area, but a slightly lower level in the Tertiary Service Area. Again, the statistics are heavily influenced by students at the University of Arizona.



Map E - Median Household Income of Secondary Service Area by Census Tract



MARKET ANALYSIS

Oro Valley Municipal Pool



In addition to taking a look at Median Age and Median Income, it is important to examine Household Budget Expenditures. In particular looking at housing information; shelter, utilities, fuel and public services along with entertainment & recreation can provide a snap shot into the cost of living and spending patterns in the services areas. The table below looks at that information and compares the three service areas to the State of Arizona.

Table P - Household Budget Expenditures¹

Town of Oro Valley	SPI	Average Amount Spent	Percent
Housing	131	\$26,562.95	30.3%
<i>Shelter</i>	<i>131</i>	<i>\$20,712.63</i>	<i>23.7%</i>
<i>Utilities, Fuel, Public Service</i>	<i>129</i>	<i>\$5,850.32</i>	<i>6.7%</i>
Entertainment & Recreation	136	\$4,392.10	5.0%

Secondary Service Area	SPI	Average Amount Spent	Percent
Housing	122	\$24,779.58	30.8%
<i>Shelter</i>	<i>123</i>	<i>\$19,390.29</i>	<i>24.1%</i>
<i>Utilities, Fuel, Public Service</i>	<i>119</i>	<i>\$5,389.29</i>	<i>6.7%</i>
Entertainment & Recreation	124	\$3,991.25	5.0%

Tertiary Service Area	SPI	Average Amount Spent	Percent
Housing	92	\$18,704.90	30.8%
<i>Shelter</i>	<i>92</i>	<i>\$14,565.28</i>	<i>24.0%</i>
<i>Utilities, Fuel, Public Service</i>	<i>91</i>	<i>\$4,139.62</i>	<i>6.8%</i>
Entertainment & Recreation	92	\$2,966.93	4.9%

State of Arizona	SPI	Average Amount Spent	Percent
Housing	101	\$20,610.82	30.7%
<i>Shelter</i>	<i>102</i>	<i>\$16,031.86</i>	<i>23.9%</i>
<i>Utilities, Fuel, Public Service</i>	<i>101</i>	<i>\$4,578.96</i>	<i>6.8%</i>
Entertainment & Recreation	103	\$3,309.58	4.9%

SPI: Spending Potential Index as compared to the National number of 100.

Average Amount Spent: The average amount spent per household.

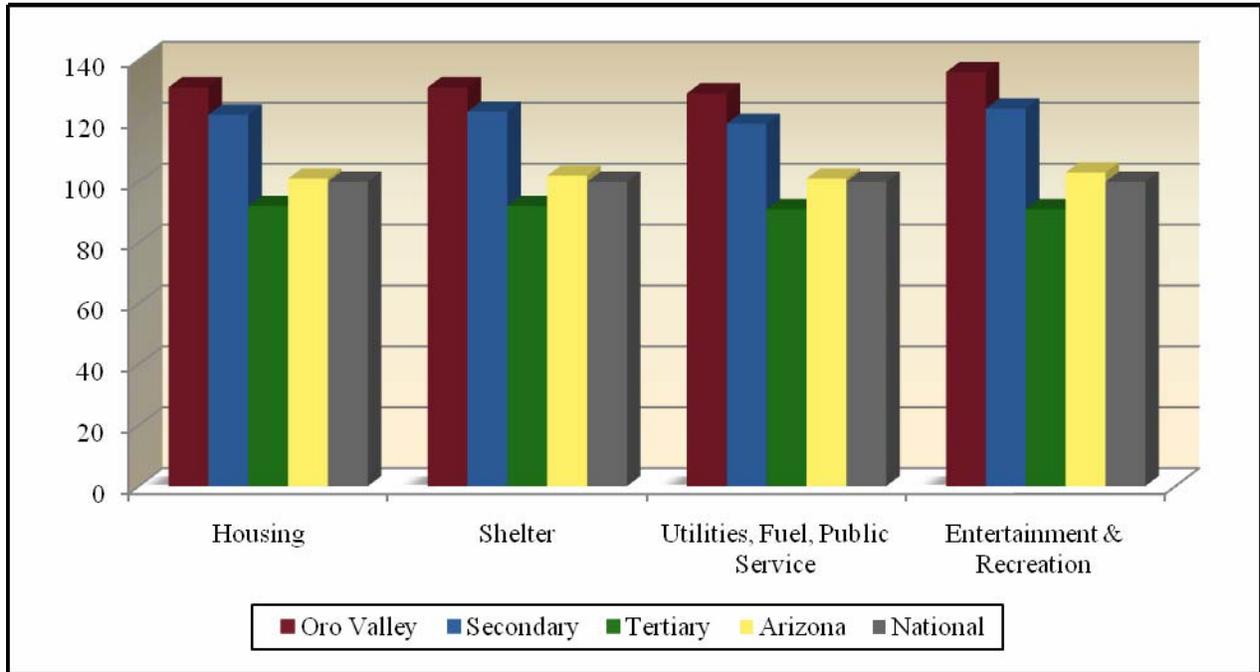
Percent: Percent of the total 100% of household expenditures.

Note: Shelter along with Utilities, Fuel, Public Service are a portion of the Housing percentage.

¹ Consumer Spending data are derived from the 2004 and 2005 Consumer Expenditure Surveys, Bureau of Labor Statistics. ESRI forecasts for 2008 and 2013.



Chart L – Household Budget Expenditures Spending Potential Index



Looking at the Median Household Income in the three service areas and when examining the Household Budget Expenditures it would indicate that the cost of living in the Town of Oro Valley and Secondary Service Area is higher than the State of Arizona and the National Spending Potential Index (SPI) Number of 100, while the Tertiary Service Area is less. Additionally, it would appear that the Spending Potential Index (SPI) for Entertainment & Recreation in the Town of Oro Valley and Secondary Service Area is higher than the State of Arizona and the National Spending Potential Index of 100, while again the Tertiary Service Area is less.

It will be important to keep this information in mind when developing fee structure and looking at an appropriate cost recovery philosophy.



Table Q – Service Area Comparison Chart:

	Town of Oro Valley	Secondary Service Area	Tertiary Service Area
Population:			
2000	29,700	99,799	789,004
2010	40,903	120,175	927,131
2015	45,757	129,553	985,727
Households:			
2000	12,249	41,126	309,152
2010	16,822	49,575	359,996
2015	18,885	53,609	383,110
Families:			
2000	9,380	28,526	195,886
2010	12,748	33,519	222,929
2015	14,148	35,775	234,348
Average Household Size:			
2000	2.41	2.40	2.48
2010	2.42	2.40	2.51
2015	2.42	2.39	2.51
Ethnicity:			
Hispanic	10.2%	15.2%	35.3%
White	90.8%	87.3%	71.1%
Black	1.4%	1.8%	3.7%
American Indian	0.5%	0.7%	2.4%
Asian	2.5%	2.8%	2.5%
Pacific Islander	0.1%	0.1%	0.1%
Other	2.7%	4.8%	16.3%
Multiple	2.1%	2.6%	3.9%
Median Age:			
2000	45.3	41.5	34.9
2010	49.4	45.3	36.4
2015	51.0	46.0	36.8
Median Income:			
2000	\$60,960	\$53,126	\$36,677
2010	\$73,999	\$67,520	\$49,329
2015	\$86,466	\$77,577	\$57,900
Household Budget Expenditures:			
Housing	131	122	92
Entertainment & Recreation	136	124	92



Recreation Activities Participation

On an annual basis the National Sporting Goods Association (NSGA) conducts an in-depth study and survey of how Americans spend their leisure time. This information provides the data necessary to overlay rate of participation onto the Town of Oro Valley and the Secondary Service Area to determine market potential.

Comparison With National Statistics: Utilizing information from the National Sporting Goods Association and comparing them with the demographics from the Town and Secondary Service Area, the following participation projections can be made (statistics were compared based on age, household income, regional population and national population).

Table R – Participation Rates for Swimming – Town of Oro Valley

Activity	Age	Income	Region	Nation	Average
Swimming	16.4%	20.2%	16.8%	18.6%	18.0%

- Age (median):** Participation based on individuals ages 7 & Up of the Town of Oro Valley.
- Income:** Participation based on the 2010 estimated median household income in the Town of Oro Valley.
- Region:** Participation based on regional statistics (Mountain).
- National:** Participation based on national statistics.
- Average:** Average of the four columns.

Table S – Participation Rates for Swimming – Secondary Service Area

Activity	Age	Income	Region	Nation	Average
Swimming	16.9%	20.2%	16.8%	18.6%	18.1%

- Age (median):** Participation based on individuals ages 7 & Up of the Secondary Service Area.
- Income:** Participation based on the 2010 estimated median household income in the Secondary Service Area.
- Region:** Participation based on regional statistics (Mountain).
- National:** Participation based on national statistics.
- Average:** Average of the four columns.



Anticipated Participation Numbers by Activity: Utilizing the average percentage from Table-R and S above plus the 2000 census information and census estimates for 2010 and 2015 (over age 7) the following comparisons can be made.

Table T – Participation Rates – Town of Oro Valley

Activity	Average	2000 Part.	2010 Part.	2015 Part.	Difference
Swimming	18.0%	4,956	6,871	7,702	+2,747

Table U – Participation Rates – Secondary Service Area

Activity	Average	2000 Part.	2010 Part.	2015 Part.	Difference
Swimming	18.1%	16,721	20,237	21,841	+5,120

Note: The estimated participation numbers indicated above are for swimming and do not necessarily translate into expected attendance figures at Municipal Pool since many participants utilize other facilities for these activities and may participate in more than one activity at a time. However, these figures do indicate the total number of people participating in various activities within the town and Secondary Service Area.



Anticipated Annual Swimmer Days: Utilizing NSGA survey information B*K can determine the average number of time each of the groups listed below participated in swimming. Once that average has been determined it can be applied the participation numbers from Table-T and U to provide an anticipated number of swimmer days within the service area. Anticipated number of swimmer days can be defined as the number of times all of the individuals within the town and Secondary Service Area will swim during a year, regardless of duration.

Table V – Anticipated Annual Swimmer Days – Town of Oro Valley

National	Male	Female	Income	Region	Average
40.06	37.41	42.45	39.57	35.14	38.93

Average	2000 Part.	2010 Part.	2015 Part.
38.93	192,911	267,443	299,823

Table W – Anticipated Annual Swimmer Days – Secondary Service Area

National	Male	Female	Income	Region	Average
40.06	37.41	42.45	39.57	35.14	38.93

Average	2000 Part.	2010 Part.	2015 Part.
38.93	650,883	787,741	850,179

It is important to note that these days are currently being spent at existing facilities in the area which may extend beyond the secondary and tertiary service areas. It must be remembered that some individuals will base their use of a primary facility component, like a pool, on the other auxiliary components that are on location. That auxiliary components include but are not limited to; locker rooms and associated amenities, concessions, shade, deck space, etc.



Participation by Ethnicity and Race: Participation in sports activities is also tracked by ethnicity and race. The table below compares the overall rate of participation nationally with the rate for Hispanics and African Americans. Utilizing information provided by the National Sporting Goods Association's 2008 survey, the following comparisons are possible.

Table X – Comparison of National, African American and Hispanic Participation Rates

	Secondary Service Area	National Participation	African American Participation	Hispanic Participation
Swimming	18.1%	18.6%	9.8%	18.1%

Secondary Service Part: The unique participation percentage developed for the Secondary Service Area.

National Rate: The national percentage of individuals who participate in the given activity.

African American Rate: The percentage of African Americans who participate in the given activity.

Hispanic Rate: The percentage of Hispanics who participate in the given activity.

Based on the fact that there is a significant Hispanic population in all service areas those participation rates become important. In contrast, given that there is not a large African American population in all the service areas those numbers become less important.



Participation Correlation: Utilizing information provided by the National Sporting Goods Association's 2009 survey, the following correlation between people who participate in swimming and other recreational activities is possible.

Table Y – Participation Correlation

Activity	% of Swimmers	% of Activity Participation
Aerobic	20.3%	30.7%
Baseball	10.1%	44.2%
Basketball	21.8%	44.8%
Exercise w/ Equipment	31.8%	28.0%
Exercise Walking	46.6%	25.1%
Running/Jogging	22.3%	34.8%
Soccer	14.0%	51.7%
Softball	8.1%	34.3%
Tennis	10.7%	49.5%
Volleyball	10.9%	50.9%
Weight Lifting	19.5%	28.3%

Percent of Swimmers: The percentage of swimmers who would participate in the given activity.

% of Activity Part.: The percentage of the listed activity participants who would also participate in swimming.

These correlation statistics indicate the strong relationship between those people who participate in aquatics and other activities.



Summary of Sports Participation: The following chart summarizes participation in various sports and leisure activities utilizing information from the 2009 National Sporting Goods Association survey.

Table Z – Sports Participation Summary

Sport	Nat'l Rank ²	Nat'l Participation (in millions)	Oro Valley Rank	Oro Valley % Participation
Exercise Walking	1	93.4	1	36.0%
Exercising w/ Equipment	2	57.2	2	21.2%
Swimming	5	50.2	3	18.0%
Work-Out at Club	7	38.3	4	13.5%
Weightlifting	9	34.5	6	12.6%
Aerobic Exercising	11	33.1	5	13.0%
Running/Jogging	12	32.2	7	10.9%
Basketball	15	24.4	8	8.8%
Soccer	21	13.6	9	4.6%
Softball	27	11.8	11	3.8%
Baseball	28	11.5	10	4.1%
Tennis	29	10.8	12	3.6%
Volleyball	30	10.7	12	3.6%
Skateboarding	33	8.4	14	2.8%

- Nat'l Rank:** Popularity of sport based on national survey.
- Nat'l Participation:** Percent of population that participate in this sport on national survey.
- Oro Valley %:** Ranking of activities based upon average from Table-R.
- Oro Valley Rank:** The rank of the activity within the Town of Oro Valley.

² This rank is based upon the 52 activities reported on by NSGA in their 2009 survey instrument.



Comparison of State Statistics with National Statistics: Utilizing information from the National Sporting Goods Association, the following charts illustrate the participation numbers in selected sports in the State of Arizona.

State of Arizona participation numbers in selected indoor and outdoor sports - As reported by the National Sporting Goods Association in 2009.

Table AA – Arizona Participation Rates

Sport	Arizona Participation (in thousands)	Age Group	Largest Number
Exercise Walking	1,970	35-44	35-44
Exercising w/ Equipment	989	25-34	25-34
Swimming	719	7-11	35-44
Work-Out at Club	732	25-34	25-34
Weightlifting	716	12-17	25-34
Aerobic Exercising	843	25-34	25-34
Running/Jogging	392	25-34	25-34
Basketball	329	12-17	12-17
Soccer	78	7-11	7-11
Softball	88	7-11	25-34
Baseball	23	7-11	7-11
Tennis	37	7-11	35-44
Volleyball	20	12-17	12-17
Skateboarding	63	7-11	12-17

Arizona Participation: The number of people (in thousands) in Arizona who participated more than once in the activity in 2009 and are at least 7 years of age.

Age Group: The age group in which the sport is most popular or in other words, where the highest percentage of the age group participates in the activity. (Example: The highest percent of an age group that participates in exercise walking is 55-64.) **This is a national statistic.**

Largest Number: The age group with the highest number of participants. Example: The greatest number of exercise walkers is in the 45-54 age group. (Note: This statistic is driven more by the sheer number of people in the age group than by the popularity of the sport in the age span.) **This is a national statistic.**



Arizona sport percentage of participation compared with the population percentage of the United States:

Arizona's population represents 2.2% of the population of the United States (based on 2010 estimates from ESRI).

Table BB – Arizona Participation Correlation

Sport	Participation Percentages
Aerobic Exercising	2.5%
Exercise Walking	2.1%
Weightlifting	2.1%
Work-Out at Club	1.9%
Swimming	1.7%
Exercising w/ Equipment	1.4%
Basketball	1.3%
Running/Jogging	1.2%
Skateboarding	0.8%
Baseball	0.7%
Soccer	0.6%
Tennis	0.3%
Softball	0.2%
Volleyball	0.2%

Note: Sports participation percentages refer to the total percent of the national population that participates in a sport that comes from the State of Arizona's population. The fact that the rate of participation in swimming is less than the size of the population could indicate a lower rate of participation.



Recreation Expenditures Spending Potential Index: In addition to participation in recreation activities ESRI also measures recreation expenditures in a number of different areas and then indexes this against national numbers. The following comparisons are possible.

Table CC – Recreation Expenditures Spending Potential Index

Town of Oro Valley	SPI	Average Spent
Fees for Participant Sports	149	\$159.43
Fees for Recreational Lessons	132	\$180.24
Social, Recreation, Club Membership	146	\$238.81
Exercise Equipment/Game Tables	111	\$91.24
Other Sports Equipment	126	\$11.94

Secondary Service Area	SPI	Average Spent
Fees for Participant Sports	132	\$140.38
Fees for Recreational Lessons	122	\$167.07
Social, Recreation, Club Membership	130	\$212.27
Exercise Equipment/Game Tables	101	\$82.94
Other Sports Equipment	117	\$11.08

Tertiary Service Area	SPI	Average Spent
Fees for Participant Sports	93	\$98.89
Fees for Recreational Lessons	96	\$117.78
Social, Recreation, Club Membership	90	\$146.68
Exercise Equipment/Game Tables	75	\$61.90
Other Sports Equipment	89	\$8.43

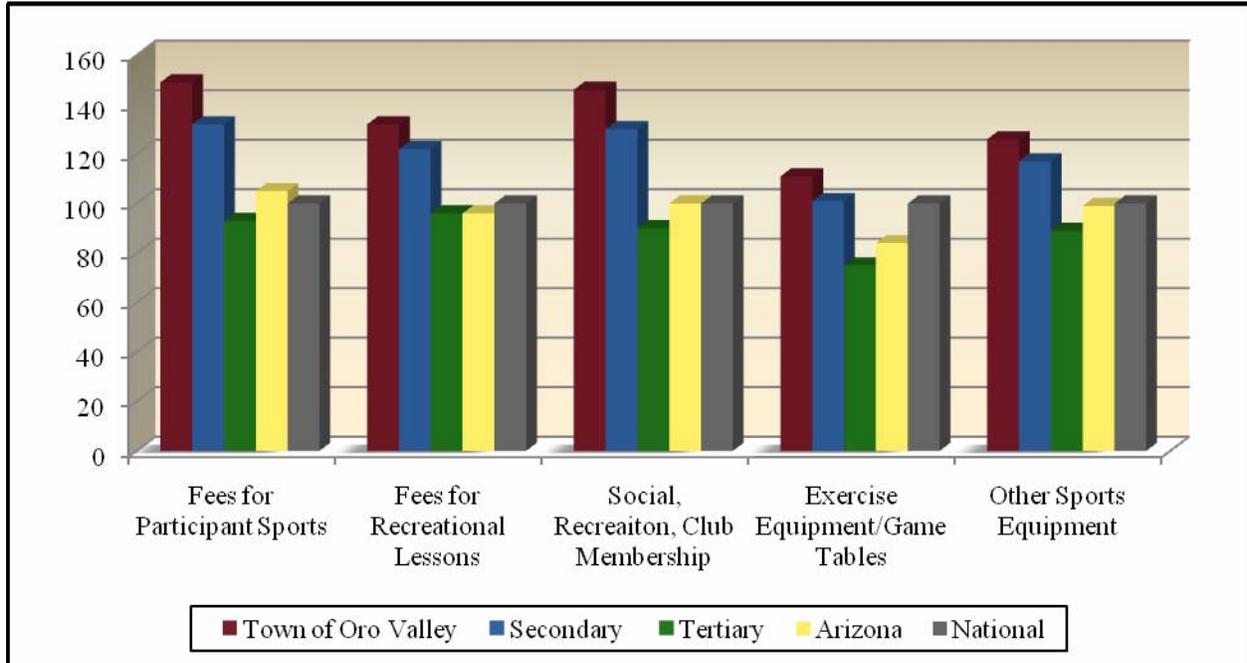
State of Arizona	SPI	Average Spent
Fees for Participant Sports	105	\$112.23
Fees for Recreational Lessons	96	\$130.55
Social, Recreation, Club Membership	100	\$163.40
Exercise Equipment/Game Tables	84	\$69.22
Other Sports Equipment	99	\$9.33

Average Amount Spent: The average amount spent for the service or item in a year.

SPI: Spending potential index as compared to the national number of 100.



Chart M – Recreation Spending Potential Index



The SPI index indicates that in all areas the rate of spending in the Town of Oro Valley and the Secondary Service Area is higher than the state average and the National Spending Potential Index (SPI) of 100. Conversely the rate of spending in the Tertiary Service Area is lower than the state average and the National Spending Potential Index (SPI) of 100. This information is very important when determining a price point for activities and cost recovery philosophy.

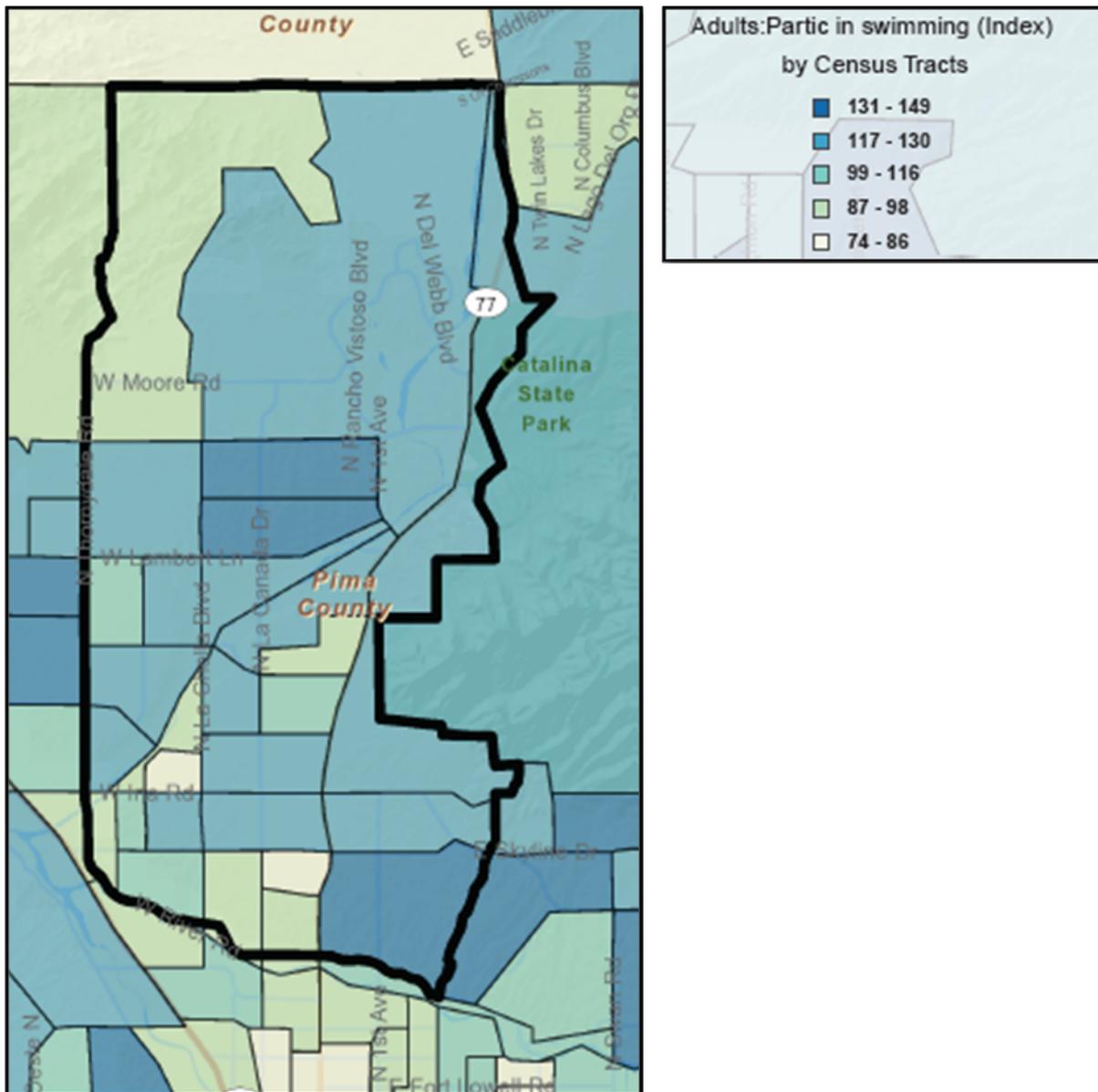
It is also important to note that these dollars are currently being spent, so the identification of alternative service providers and the ability of another facility to capture a portion of these dollars will be important.



Participation in Swimming

In addition to looking at Recreation and Entertainment Spending Potential Index B*K can evaluate adult participation in swimming index by block groups. The map below illustrates this information. The index of 100 is the National average, which would indicate swimming among the population is common.

Map G: Adults: Participation in Swimming (Index) by Census Tracts:





Below are listed a number of sports activities and the percentage of growth or decline that each has experienced nationally over the last 10 years (2000-2009).

Table DD – National Activity Trend (in millions)

Sport/Activity	2000 Participation	2009 Participation	Percent Change
Hockey (Ice)	1.9	3.1	63.2%
Weightlifting	22.8	34.5	51.3%
Running/Jogging	22.8	32.2	41.2%
Exercise w/ Equipment	44.8	57.2	27.7%
Aerobic Exercising	26.7	33.1	24.0%
Exercise Walking	81.3	93.4	14.9%
Work-Out at Club	34.1	38.3	12.3%
Tennis	10.0	10.8	8.0%
Soccer	12.9	13.6	5.4%
Skateboarding	9.1	8.4	-7.7%
Basketball	27.1	24.4	-10.0%
Volleyball	12.3	10.7	-13.0%
Swimming	58.8	50.2	-14.6%
Softball	14.0	11.8	-15.7%
Baseball	15.6	11.5	-26.3%

1998 Participation: The number of participants per year in the activity (in millions) in the United States.

2008 Participation: The number of participants per year in the activity (in millions) in the United States.

Percent Change: The percent change in the level of participation from 2000 to 2009.

Despite the fact that participation in swimming has decreased significantly over the last ten years, the sport remains immensely popular.

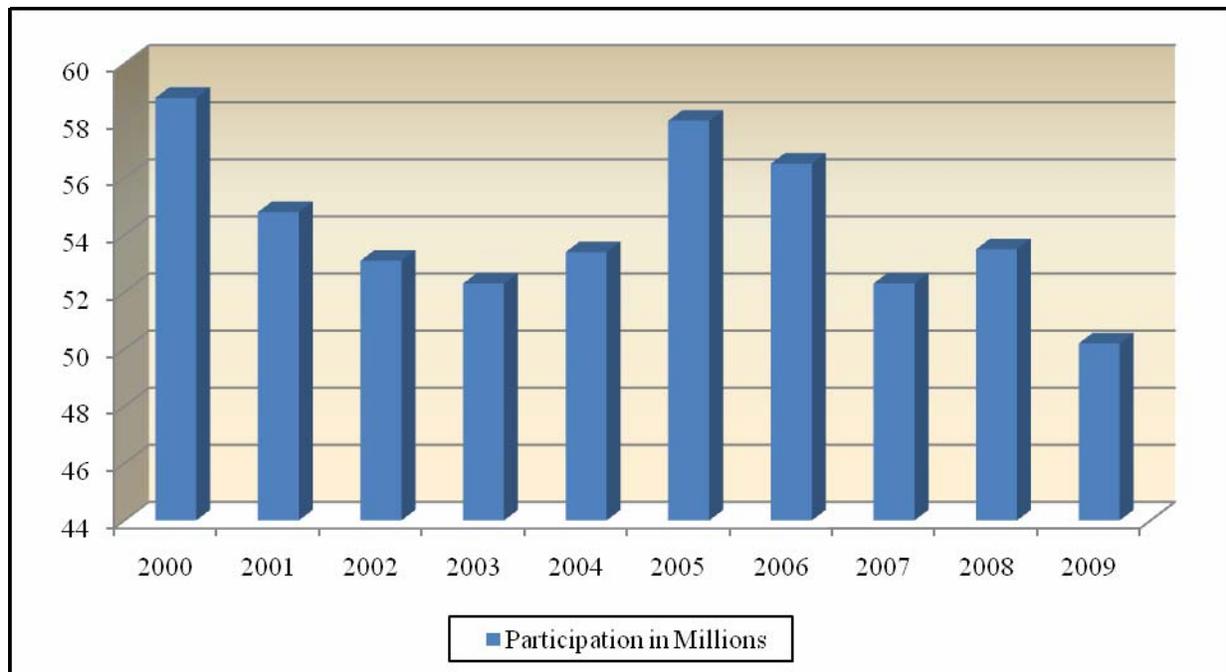


Below the percentage of growth or decline in swimming is charted nationally over the last 10 years (2000-2009).

Table EE – Swimming Participation (in millions)

Year	Total Participation
2000	58.8
2001	54.8
2002	53.1
2003	52.3
2004	53.4
2005	58.0
2006	56.5
2007	52.3
2008	53.5
2009	50.2

Chart N – Swimming Participation (in millions)





Aquatic Participation Trends: Without doubt the hottest trend in aquatics is the leisure pool concept. This idea of incorporating slides, lazy rivers (or current channels), fountains, zero depth entry and other water features into a pool’s design has proved to be extremely popular for the recreational user. The age of the conventional pool in most recreational settings has greatly diminished. Leisure pools appeal to the younger kids (who are the largest segment of the population that swims) and to families. These types of facilities are able to attract and draw larger crowds and people tend to come from a further distance and stay longer to utilize such pools. This all translates into the potential to sell more admissions and increase revenues. It is estimated conservatively that a leisure pool can generate up to 30% more revenue than a comparable conventional pool and the cost of operation while being higher, has been offset through increased revenues. Of note is the fact that patrons seem willing to pay a higher user fee with this type of pool that is in a park like setting than a conventional aquatics facility.

Despite the recent emphasis on recreational swimming the more traditional aspects of aquatics (including swim teams, instruction and aqua fitness) remain as a part of most outdoor aquatic centers. The life safety issues associated with teaching children how to swim is a critical concern in most communities and competitive swim team programs through USA Swimming, high schools, and other community based organizations continue to be important. Aqua fitness, from aqua exercise to lap swimming, has enjoyed strong growth during the last ten years with the realization of the benefits of water-based exercise.

The family oriented outdoor aquatic center concept of delivering aquatic services continues to grow in acceptance with the idea of providing for a variety of interactive aquatics activities and programs in a park like setting that features a lot of grass, shade structures, sand play areas and natural landscapes. This idea has proven to be financially successful by centralizing pool operations for communities and through increased generation of revenues from patrons willing to pay for an aquatics experience that is new and exciting. These outdoor aquatic centers have become identifiable centers for communities and have promoted “family” recreation values. The keys to success for this type of center revolve around the concept of intergenerational use in a quality facility that has an exciting and vibrant feel in a park like setting.

A new concept is the spray ground, where a number of water spray features are placed in a playground setting where there is no standing water but the water is treated and recirculated much like a pool. This provides a fun, yet safe, environment where drowning is not a concern and lifeguards are not necessary.

Swimming is fifth in popularity of sports and leisure activities, meaning that there is a significant market for aquatic pursuits. Approximately 16.8% of the population in the Mountain region of the country participates in aquatic activities. This is a large segment of the population. Within the Oro Valley area, swimming is the number three most participated in sports activity behind exercise walking and exercising with equipment.



Even with strong rates of swimming participation, the focus of swimming has changed from an activity that was oriented around competitive aquatics with deeper and colder water to a more recreational approach that emphasizes shallow, warm water, socialization and interactive play. Consistent use of an aquatic's facility by families and young children is dependent in large part on the leisure amenities.

A 50 meter competitive pool allows for a variety of aquatic activities to take place simultaneously and can handle aqua exercise classes, learn to swim programs as well competitive swim training and meets (short course and long course). In communities where there are a number of competitive swim programs, utilizing a 50 meter pool in a yard configuration will allow up to 20 lanes to be available for training. A 50 meter pool that is designed for hosting meets will allow a community to build a more regional or even national identity as a site for competitive swimming. However, it should be realized that regional and national swim meets are difficult to obtain on a regular basis, take a considerable amount of time, effort and money to run; can be disruptive to the regular user groups and can be financial losers for the facility itself. On the other side such events can provide a strong economic stimulus to the overall community.

Competitive diving is an activity that is often found in connection with competitive swimming. Most high school and regional diving competition centers on the 1 meter board with some 3 meter events (non-high school). The competitive diving market, unlike swimming, is usually very small (usually 10% to 20% the size of the competitive swim market) and has been decreasing steadily over the last ten years or more. As a result, many states have or are considering the elimination of diving as a part of high school swimming. Diving programs have been more viable in markets with larger populations and where there are coaches with strong diving reputations. Moving from springboard diving to platform (5 meter and 10 meter, and sometimes 3 and 7.5 meters), the market for divers drops even more while the cost of construction with deeper pool depths and higher dive towers becomes significantly larger. Platform diving is usually only a competitive event in regional and national diving competitions. As a result the need for inclusion of diving platforms in a competitive aquatic facility needs to be carefully studied to determine the true economic feasibility of such an amenity.

There are a couple of other aquatic sports that are often competing for pool time at aquatic centers. However their competition base and number of participants is relatively small. Water polo is a sport that continues to be reasonably popular on the west coast and uses a space of 25 yards or meters by 45-66 feet wide (the basic size of an 8 lane, 25 yard pool). However a minimum depth of 6 foot 6 inches is required which is often difficult to find for a space this large in more community based facilities. Synchronized swimming also utilizes aquatic facilities for their sport and they also require deeper water of 7-8 feet. This also makes the use of some community pools difficult.



Outdoor Aquatic Facilities Inventory: There are a variety of more traditional outdoor aquatic facilities that currently serve the Oro Valley market area. These vary from municipal pools to school facilities, country clubs, HOA's, private water parks, resort hotels, and backyard pools. However, there are a very limited number of true competitive pools, especially 50 meter pools.

50 Meter Pools

There are really only three true competitive aquatics facilities in the greater Tucson area.

Oro Valley Municipal Pool – The Town's outdoor 50 meter pool operates year round and is the only such facility on the north side of the market area. While the pool itself is in relatively good working condition, the depth at one end is really too shallow for competition purposes in the 50 meter configuration, the support areas (locker rooms, office area), etc., are poor and the deck and seating area need improvements. The pool provides a facility for competitive swimming (FAST and Pusch Ridge USA teams as well as 3 high school swim teams), swim lessons, aqua exercise classes and drop in recreation swimming.





Amphitheater Pool – Located on the campus of Amphitheater High School, this 50 meter, 10 lane pool includes a diving area with one-meter and three meter boards. There is very limited seating and the bath house is very old. The pool is operated by the City of Tucson but is seasonal only (May to November) which limits its use as a competitive venue for practice and meets.



University of Arizona – The Hillenbrand Aquatic Center includes a 50 meter pool, 4 lane warm-up pool, and a diving pool with 1 and 3 meter springboard and a 10 meter platform (area can also be used for water polo). The complex is utilized for age group and club swimming (Tucson Ford Swim Team) as well as meets for a variety of local, regional and national events. The University also has another 50 meter pool at the student recreation center but this pool is not utilized by any outside groups or organizations.





Other Outdoor Aquatic Facilities

City of Tucson – The City has 9 pools that are primarily conventional in nature, with 4 of them open year round.

Year Round

Edith Ball Pool– an outdoor covered pool with lap lanes, beach entry, play features, and walking channel.

Catalina Pool- 25 yard x 25 meter pool.

Clements Pool- 25 yard pool (7 lanes), diving area, and water slide.

Sunnyside Pool- 25 yard x 25 meter pool.

Seasonal

Archer Pool- 25 yard x 25 meter with slide and wading pool. This is a competitive pool.

El Pueblo Pool- 25 yard lap pool, slide, and shallow water.

Ft. Lowell Pool- 25 yard lap pool, diving pool, and separate wading pool.

Quincie Douglas Pool- 25 yard lap pool, water slide, spray and splash features, beach entry and separate splash pad.

Udall Pool- 25 yard lap pool with a diving area.

Note: The City does not generally support USA club teams use of their pools on a regular basis.

Pima County – The County operates 9 seasonal pools and splash pads.

Year Round

Thad Terry Aquatics Center – Located at the Northwest YMCA, this facility is operated in conjunction with the YMCA. There is a 6 lane x 25 yard lap/competitive pool as well as a separate recreational pool with a slide and zero depth entry.

Seasonal



Catalina Pool (Catalina)- 4 lap, 25 yard lap pool with a deep end.

Flowing Wells Jr. High School Pool (Tucson)- 9 lane, 25 yard pool with diving and deep water. There is also a separate wading pool.

Kino Veterans Memorial Pool (Tucson)- 4 lane, 25 yard pool, slide, deep end and zero depth entry.

Los Ninos Pool (Tucson)- 6 lane, 25 yard pool, deep end with diving, and a separate wading pool.

Manzanita Pool (Tucson)- 6 lane, 25 yard pool, deep end, slide, zero depth entry, and other water features.

Picture Rocks Pool (Tucson)- this is the County's newest pool and it features a large recreational pool with zero depth entry, and multiple water features. There is also a splash pad.

Wade McLean Pool (Marana) – located next to Marana High School, this pool features an 8 lane, 25 yard pool, with a deep end, zero depth entry and several water features.

Ajo Pool (Ajo)- located a significant distance from Oro Valley and Tucson, the County operates an outdoor pool in this community.

The county also has tentative plans to build a new outdoor competitive aquatics center in the Tucson area.

Splash Pads

Brandi Fenton (Tucson)

Wade McLean Pool





Town of Marana - The Town of Marana has a very small outdoor pool located in Ora Mae Harn Park. This is a conventional 7 lane by 25 yard pool with 2 diving boards and a wading pool.

It should also be noted that Town of Sahuarita (or the school district) is planning to develop a competitive aquatic center in the future.

Non-Profit Pools – A number of non-profit agencies in the Tucson area also have outdoor aquatic venues.

YMCA of Southern Arizona – Three of their facilities have outdoor pools, plus the shared Pima County Thad Terry Aquatic Center at the Northwest YMCA that has been noted above.

Lighthouse/City YMCA – has a 6 lane, 25 yard pool

Lohse Family YMCA – has a 6 lane, 25 yard pool

Ott Family YMCA – has a lap pool and splash pad

Tucson Jewish Community Center – the facility includes a year round, 6 lane lap pool and children’s splash pad.

Private Aquatic Facilities – In addition to the public and non-profit aquatic facilities there are also a significant number of private facilities.

Breakers Water Park – located immediately to the west of Oro Valley this is a large outdoor commercial water park with a number of slides and interactive play features. The fees for admission are much higher than any of the other facilities in the area.

The Gallery Sports Club – Dove Mountain - this is a high end club that includes a pool, fitness area, tennis courts, racquetball courts and spa services.

La Paloma Country Club – Tucson – has a 6 lane, 25 yard pool that is utilized for Masters Swimming.

The Hilton El Conquistador Resort – Oro Valley – a resort that features several golf courses, a large pool and a fitness center.

El Conquistador Country Club – Oro Valley – the golf club also has a 6 lane, 25 yard pool that is utilized by the FAST Swim Team for practice on a regular basis.



Stone Canyon Swim & Fitness Center – Oro Valley – a golf resort that also has large pool.

Ritz Carlton - Dove Mountain – the resort features golf, wellness and fitness amenities as well as a spa.

The Golf Villas at Oro Valley – this resort offers a variety of facilities: resort pools and spa, 24-hour fitness center, spa experiences.

Within Oro Valley several of the developments have their own aquatic facilities as well. One of the more prominent is the Mountain Vista Recreation Center which is part of Vistoso (an age restricted Sun City community). This includes an outdoor pool, tennis complex, indoor recreation center and a library but use is limited to the residents of the development. Several other developments have smaller aquatic facilities as well. Located in the southern portion of the community is the Oracle Heights Recreation Center which is run by the homeowners association and is in reality only a small outdoor pool. Since these facilities are limited to their own residents this restricts usage for the general community.

It is also recognized that a very high percentage of homes have swimming pools in their backyard which limits the need to use public pools.

This is a representative listing of alternative aquatic facilities in the area and is not meant to be a total accounting of all service providers. There may be other facilities located in the area that have an impact on the Oro Valley market as well.

Market Opportunities - Based on the other aquatic facilities located in the greater Oro Valley area, the following are market opportunities for a redeveloped Oro Valley Municipal Pool.

- There are really only three true 50 meter competitive swimming venues in the Tucson area. The fact that Amphitheater is a seasonal pool limits its use as a highly competitive pool and the other 50 meter is located on the University of Arizona campus where the first priority is NCAA swimming practices and events.
- Most of the current public pools do not have a strong recreational orientation. This leaves an ideal market position for this type of amenity at the Oro Valley Municipal Pool. Some of the Pima County as well as the City of Tucson pools have basic recreational swimming features (slides, zero depth entry, interactive play features, etc.) but most of these pools are a considerable distance from Oro Valley. On the other end the larger regional recreational aquatic market is being handled by Breakers Water Park.



- An Oro Valley Municipal Pool that has a well balanced facility that can serve the competitive, recreation and instructional needs of the area will be financially more successful.
- The homeowner association pools as well as the country club facilities serve very different markets and needs. To draw these users, a redeveloped Oro Valley Municipal Pool will need to focus on amenities that are not available with these facilities. This is likely to include large lap pools that can handle a significant number of swimmers as well as competitive teams and a recreational pool with a zero depth entry, slide and interactive play features. In addition offering a full complement of aquatic programs and services will be essential.
- A world class competitive aquatics venue will give Oro Valley a strong identity in the swimming community and larger regional and national meets could provide a strong economic impact for the area.
- Marketing the pool to the large number of visitors to the area as well as the second homeowner will increase the use and potential revenue for the facility.

Market Constraints – In addition to the market opportunities, it is also important to analyze possible market constraints. These include.

- There are a significant number of conventional pools in the area, many of which have the capability of being used for competitive swimming and other events.
- Residents of the Oro Valley area have relatively easy access to a variety of different aquatic facilities from back yard pools, to other public facilities and HOA pools.
- The fees that are being paid for use of existing public pools are very low and will make it difficult to increase rates significantly at a redeveloped Oro Valley Municipal Pool. In fact many of the existing pools are available for little to no fee (backyard and HOA pools).
- Another barrier to recovering large amounts of operating costs associated with competitive aquatic venues is a mindset among swim teams that water should be available for a very low fee. Most swim teams are reluctant to pay higher rates for practice time, but are willing to pay more for meets but often not at rate that covers all costs.



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- Summer weather can be too hot for people to even use a pool during afternoon times especially.
 - To make the existing Oro Valley Municipal Pool into a world class competitive aquatics venue, will require a significant improvements and expansions that will have a substantial capital cost.
 - Traditionally 50 meter aquatic centers require a substantial operating subsidy and while running a large number of meets can increase the use of the facility, and provide a strong economic impact to the community, they are often not strong revenue generators for the facility itself.
 - Conducting a large number of swimming and other events in an aquatic center can be disruptive to on-going uses and operations unless there is adequate pool space for many uses.
 - The number of swim and other events that can be conducted in a facility are limited by the local teams ability to use volunteers on a regular basis and the ability to obtain meets from other facilities in the area as well as nationally.
 - Publicly owned and operated aquatic centers must meet a variety of aquatic needs in a community which makes it difficult to focus on just a single area (competitive swimming).

Since there are only a limited number of 50 meter pools in the Tucson area, there is a relatively strong market for a redeveloped Oro Valley Municipal Pool with a competitive focus. However, the current level of subsidy required to operate the pool would only be expected to decrease slightly at best. To be financially viable the Oro Valley Municipal Pool will need to have a focus not only on traditional aquatic activities (lap swimming, competitive swimming, lessons and fitness) but also on recreational swimming (slides, interactive play features, and shallow water). There will also need to be a high level of aquatic programming offered as well.



Section II – Aquatic Event Analysis

Aquatic Event Analysis: Major aquatic facilities can provide an economic impact to the community through the hosting of aquatic events in swimming, diving, synchronized swimming and water polo. But, as the level of event increases from local to national, the likelihood of attracting events decreases in large part due to the number of facilities competing for the events, plus the rotation schedule used by the national aquatic governing bodies designed to distribute national and regional events out over different regions of the country. The number of actual events held at the local and regional level, while more prevalent, are also limited.

The reality of a state of the art aquatic center in Oro Valley attracting a national event is probably one a year if all water sports are considered. Oro Valley's competition for these events will come from facilities in Phoenix but also those in California and other western states. The National Governing Bodies (NGB's) many times move these events to different locations throughout the country each year. State and local events provide the majority of opportunities including year-round senior/age group meets, summer recreation leagues (both city and county) and high school competitions.

Opportunities - Nationally over 20 facilities (see chart below) are all competing for the same events with more facilities coming on line each year. These state of the art facilities are labeled "tier one" and are capable of handling any of the aquatic events in the country scheduled by the NGB's. Oro Valley will be competing with all the other tier one facilities in the country (and with facilities in Arizona) when attempting to secure a national event. Most recently the direction has changed regarding the USA Swimming Olympic Trials and World Championships in swimming, where these events are now being held in large stadiums, with temporary pools. The tier one facilities are unable to host these events due to the 10,000-15,000 seat requirements.

Each sport varies slightly regarding regional competitions. The competition increases with the inclusion of "tier two" facilities such as smaller universities, community colleges and recreation departments. Tier two facilities tend to concentrate on more regional events and competitions rather than the national events but often must compete with the tier one facilities for these events as well. Regional competitions vary from sport to sport, as well as the actual region breakdown differs. Regions could include two states or several states, depending on how the NGB chooses to break the regions/zones down. Some sports do not have as much participation as others, so that can be factored into how the country is divided into regions. The size of the region will increase or decrease the number of tier one and tier two facilities competing for the same events.

For many tier two and other aquatic facilities below this level, local competitions are the bread and butter of the events with state competitions at the senior, age group and high school levels. In addition, individual clubs will want to host invitational meets at the senior and age group levels, as well as high school dual meets can provide revenue-generating opportunities.

AQUATIC EVENT ANALYSIS

Oro Valley Municipal Pool



The financial reality of hosting major events is that the host facility often absorbs a financial loss in addition to closing the aquatic center over an extended period of time, interrupting normal programs and revenue sources. The upside of hosting major aquatic venues is found in tourism and the economic benefits to the community. Aquatic events will generate a significant amount of economic benefit to the host community. A study conducted by William Beyers of the University of Washington for the King County Aquatic Center in 2002 found that users of the facility spent almost \$4.4 million annually. Using the multiplier effect the total benefit to the Washington economy was estimated at \$7.5 million in 2001.

Tier One Aquatic Facilities

Facility	Location	Owner
U of Minnesota Aquatic Center	Minneapolis, MN	University of Minnesota
Weyerhaeuser Aquatic Center	Federal Way, WA	King County Parks and Rec
Indiana University Natatorium	Indianapolis, IN.	IUPUI
Pal Alto Aquatic Center	San Antonio, TX.	Pal Alto College
Avery Aquatic Center	Stanford, CA.	Stanford University
Campus Rec Center Natatorium	College Park, MD.	University of Maryland
James E Martin Aquatic Center	Auburn, AL.	Auburn University
Texas A&M Aquatic Center	College Station, TX.	Texas A&M University
Rose Bowl Aquatic Center	Pasadena, CA.	Not For Profit Organization
Mona Plummer Aquatic Complex	Tempe, AZ.	Arizona State University
Goodwill Games Aquatic Center	East Meadow, NY.	
Sonny Werblin Rec Center	Piscataway, NJ.	Rutgers University
Gabrielson Natatorium	Athens, GA.	University of Georgia
Miami University Aquatic Center	Oxford, OH.	Miami University
Indiana University Aquatic Center	Bloomington, IN.	Indiana University
Georgia Tech Aquatic Center	Atlanta, GA.	Georgia Tech
Ohio State Aquatic Center	Columbus, OH.	Ohio State University
Orlando YMCA Aquatic Center	Orlando, FL.	YMCA



Securing an Event - The basic steps for attracting the aquatic events differ with the level of the event. The national events have a bidding process that takes place through the NGB. Each NGB has a different approach to the selection of a site. Some selections are made through a site selection committee; some are selected through direct negotiations with the administrative group charged with the selection by the NGB. This process can change from year to year and with each NGB. The bid packets are very common from sport to sport. Other than the different technical needs of each sport, the packets consist of questions and information regarding a number of different areas.

1. Bid process
2. Facility specifications
3. Host organization
4. Accommodations
5. Transportations
6. Specialized Services
7. Special Events (socials\receptions)
8. Sponsorships (local opportunities, national obligations)
9. Merchandising (local opportunities, national obligations)
10. Actual Event program
11. Financial/Budget (local provides, local pays, local retains, national provides, national pays, national retains, other financial obligations)

Bids are awarded for national events anywhere from 1-4 years out depending on the event and the NGB. Typically, Sports Councils/Convention and Visitor Bureau's submit bids, in conjunction with a local organizing committee. Bids are submitted in advance and in many cases presentations are made at the National Convention or to a designated group. It must be realized that this is a very time consuming process and requires a substantial amount of funding for promotions and entertainment as well as often an upfront payment to the NGB.

Regional events are bid in a similar fashion depending on the NGB, but may have lesser requirements attached to the bidding process. Many times the bid process for a regional competition is to the administrative committee of that region during the National Convention. However, even this level of event can require both a considerable amount of time and money to secure. Securing a partnership with a college or university is required to host NCAA Division II, Division III, or NAIA Championships.

At the local level securing the events will most likely be determined by cost, availability and demand. Since the number of local events generally is far greater than the regional and national schedule, aquatic facilities may find themselves turning away local events depending on the utilization of the facility and program schedule. The easiest way to host a local event is to first

AQUATIC EVENT ANALYSIS

Oro Valley Municipal Pool



identify what events are held each year in the community, county, and state. Then work with the local organizing groups to relocate the event.

Financial Responsibilities- The financial realities of hosting a national level aquatic event vary from sport to sport. Some will generate a small (\$200-\$40,000) profit, some will break even and some will struggle to break even or take a loss. This will depend on but is not limited to several factors; the size of the event, interest in the sport, commitment from the community for events of this kind, dedication of the management team to producing a profit, number of participants, contractual obligations to the NGB, NGB restrictions on sponsorships, and budget relief from the value of in kind donations. NGB's do provide seed or advanced administrative money ranging from \$500 for a US Collegiate Synchronized Swimming event to \$20,000 (or more) for USA Swimming National Championship.

NCAA aquatic championships are break even at best. Contract and sponsorship restrictions make these very difficult events to generate a profit.

Regional events are less restrictive in contractual obligations, can pay for direct costs and generate rental fees and other revenue.

Local meets are the most profitable events over the long haul for a facility. Profits come from rental, fees for equipment use and direct costs are recovered. A steady calendar of local events can produce significant revenue; however pool rental fees vary across the country depending on the market value. Facilities in the event business such as the University of Minnesota charge \$2,700 per day plus direct costs (any meet organizer must hire U of M technicians, custodial, etc.). Georgia Tech charges \$1,200-\$1,500 per day plus direct costs. The revenue for a typical 2½ day swim meet ranges from \$3,750 to \$6,750 (in each case rental fees were ramped up over time to avoid sticker shock). Many local meets are used as fundraising events for the community organizations that are regular users of the facility and as a result they expect discounted fees for meets and also expect to keep a very large percentage of the revenue generated by the event. It is not uncommon for a local swim club to generate between \$4,000 and \$6,000 profit per swim event. This can often result in little revenue being generated for the facility itself. It should also be realized that in some instances, revenues from general aquatic operations (lessons, recreation swimming, on-going rentals, etc.) can be greater than the revenues generated from special aquatic events.

As mentioned earlier, aquatic events can provide an economic impact to the community in entertainment, restaurant, and hotel receipts, but these events are also time-consuming endeavors from start to finish not to mention the fact that these benefits do not show up on the facility's bottom line.

AQUATIC EVENT ANALYSIS

Oro Valley Municipal Pool



To attract national level competitions the facility must be state of the art, it must be equal to or better than the top aquatic facilities in the country. This means first and foremost the pool must be fast. Fast water means fast swimming and fast swimming means records will fall. What makes a fast pool? Engineering. Simply put - water depth, water return, gutter system, lane lines, these all have a great deal to do with the speed of the pool.

The design of a state of the art facility is important to allow for maximum flexibility; creating the ability to host short course events (25yd., 25 meter), long course events (50 meters) and other aquatic sports events (diving, synchronized swimming, and water polo). A pool that meets this criteria will be at least an eight lane (9 feet wide), 50 meter pool with two movable bulkheads, a separate diving pool with a complete springboard and tower system (two one meter and two three meter spring boards, and a 1,3,5,7.5,10 meter tower system) plus a warm up pool. The facility must have a minimum of 2000 spectator seats and deck space of 20ft around the entire pool. Currently IUPUI Natatorium has spectator seating for 4,700 and 20 ft of available deck space. Georgia Tech seats 2,000 spectators, with 24 ft of deck space. There also needs to be state of the art timing systems and scoreboards as well as accommodations for the media.

A cohesive management team with a clearly defined mission, objectives, strategies and tactics must be established at the facility before bidding and conducting national events. This team must be experienced in aquatic event management, and have the ability to establish partnerships and relationships with various groups locally and nationally. The management team should include as part of its mission and objectives to provide an economic impact to the community.

With economic impact as part of the mission, the management teams' development of partnerships and relationships with various groups is critical to the success of every event. This can include community groups and organizations such as the Convention and Visitors Bureau (CVB's), Sports Councils or Sports Corporations (a group who's purpose is to bring sporting events to the city for economic dollars), Local Swim Committee (LSC - the local arm of USA Swimming), other Local Diving, Synchronized Swimming, Water Polo or Masters Swimming Committees, and National Governing Bodies for each of the Aquatic Sports.

Most of the National Governing Bodies in the USA are accepting and awarding bids to City Sports Councils or CVB's. A collaborative partnership with the Council or CVB can only enhance the chances of securing a bid. A solid working relationship with the NGB also needs to be established.

Persistence is a key element to the big picture; it takes time to establish a facility, management team and city. It is rare that a facility gets national events on the first attempt when bidding. There is a learning process that takes place, plus the NGB wants the facility to host local and regional competitions first to validate the facility for a higher level of competition. Understanding the National Governing Bodies wants and needs, the competition (cities and facilities), and the bidding process can take time.



Conclusion- Careful consideration must be given to the realities of the competitive aquatic event market before deciding on the role that this aspect will have in an aquatic facility's operation. Besides the obvious requirement regarding the facility's physical layout and equipment, the center will need to have a philosophical commitment to these types of events, the staff will need to have the background and time to chase such activities, and the financial implications will need to be clearly understood. The competitive pool by virtue of water depth and temperature will serve primarily the competitive swimming and lap swimming markets but will be of relatively little interest to the general public for recreational swimming.

Oro Valley Recommendations for Aquatic Events

Proponents of a redeveloped Oro Valley Municipal Pool will need to determine the role that they expect competitive aquatic events to hold in the new facility. This role must be balanced with the other desired markets of being an aquatics training facility for a variety of athletes as well as a community based fitness and recreation facility. It is difficult to serve all of these different market areas adequately as each as very different needs and expectations. As a result a prioritization of use will need to be developed that indicates the relative hierarchy of the different activities.

With this in mind the various levels of aquatic competition need to be examined.

It will be difficult and expensive for the Oro Valley Municipal Pool to adequately meet the obligations of a tier one facility and adequately support other identified functions of a aquatic center (recreational swimming, therapy, fitness and instructional). The facility will have to include several bodies of water and specialized support spaces for events as well as day to day operations. Events at this level are difficult to obtain, require extensive marketing dollars and an extended amount of time to secure, a broad level of support from a variety of organizations and the events themselves often result in an operating loss. With other competitive aquatic facilities in the west, attracting one national/international event a year at best is all that should be expected.

Attracting regional and state events as a tier two facility is more realistic but will still be difficult. While there are more events at this level there is still a great deal of competition for these activities and there needs to be strong support from local organizing committees, and other organizations. Hosting 2 to 3 such events a year is probably the limit and securing this number of activities will require marketing dollars and considerable time. These events should have a strong economic impact on the Oro Valley area but will only result in a relatively small profit margin for the center itself. The more these types of events are scheduled the more disruptive it will be to the everyday operation of the facility and the revenue stream that is the lifeblood of the center.

AQUATIC EVENT ANALYSIS

Oro Valley Municipal Pool



Local events, while not having the glamour and excitement of the other levels of competition, should really be the mainstay of the competitive event calendar of the Oro Valley Municipal Pool. The demand for these types of events is usually very high and the number of competitors is often greater than the more elite events. However, as was stated earlier most of the organizations are utilizing these activities as fundraisers and are often not willing to pay a high rate of rental and expect to run the event themselves in an effort to keep the vast majority of the revenue that is generated. As a result while the pool should be able to generate a reasonable revenue stream from local events, this will not be the primary source of overall revenue for the facility. The number of activities of this nature should not be so extensive that it negatively impacts use and revenue from other more critical sources such as community memberships, program and services and long term facility rentals.



Section III - Market Orientation

Based on the market information, the existing pools, and typical aquatic needs within a community, there are specific market areas that need to be addressed with any aquatic facility. These include:

1. Leisure/recreation aquatic activities - This includes a variety of activities found at leisure pools with zero depth entry, warm water, play apparatus, slides, seating areas and deck space. These are often combined with other non-aquatic areas such as concessions and birthday party or other group event areas.

2. Instructional programming - The primary emphasis is on teaching swimming and life saving skills to many different age groups. These activities have traditionally taken place in more conventional pool configurations but should not be confined to just these spaces. Reasonably warm water, shallow depth with deeper water (4 ft. or more), and open expanses of water are necessary for instructional activities. Easy pool access, a viewing area for parents, and deck space for instructors is also crucial.

3. Fitness programming - These types of activities continue to grow in popularity among a large segment of the population. From aqua exercise classes, to lap swimming times, these programs take place in more traditional settings that have lap lanes and large open expanses of water available at a 3 1/2 to 5 ft. depth.

4. Therapy – A growing market segment for many aquatic centers is the use of warm, shallow water for therapy and rehabilitation purposes. Many of these services are offered by medically based organizations that partner with the center for this purpose.

5. Competitive swimming/diving - Swim team competition and training for youth, adults and seniors requires a traditional 6 to 10 lane pool with a 1 and/or 3 meter diving boards at a length of 25 yards or 50 meters. Ideally, the pool depth should be no less than 4 ft. deep (7 is preferred). Spectator seating and deck space for staging meets is necessary. This market usually has strong demands for competitive pool space and time during prime times of center use.

6. Specialized uses – Activities such as water polo and synchronized swimming can also take place in competitive pool areas as long as the pool is deep enough (7 ft. minimum) and the pool area is large enough. However these are activities that have small participant numbers and require relatively large pool areas. As a result it may be difficult to meet the needs of specialized uses on a regular basis.

7. Social/relaxation - The appeal of using an aquatics area for relaxation has become a primary focus of many aquatic facilities. This concept has been very effective in drawing non-swimmers



to aquatic facilities and expanding the market beyond the traditional swimming boundaries. The use of natural landscapes and creative pool designs that integrate the social elements with swimming activities has been most effective in reaching this market segment.

8. Special events/rentals - There is a market for special events including kids birthday parties, corporate events, community organization functions, and general rentals to outside groups. The development of this market will aid in the generation of additional revenues and these events/rentals can often be planned for after or before regular hours or during slow use times. It is important that special events or rentals not adversely affect daily operations or overall center use.

Specific market segments include:

1. Families - Within this market, an orientation towards family activities is essential. The ability to have family members of different ages participate in a fun and vibrant facility is essential.

2. Pre-school children - The needs of pre-school age children need to be met with very shallow or zero depth water which is warm and has play apparatus designed for their use. Interactive programming involving parents and toddlers can also be conducted in more traditional aquatic areas as well.

3. School age youth - A major focus of most pools is to meet the needs of this age group from recreational swimming to competitive aquatics. The leisure components such as slides, fountains, lazy rivers and zero depth will help to bring these individuals to the pool on a regular basis for drop-in recreational swimming. The lap lanes provide the opportunity and space necessary for instructional programs and aquatic team use.

4. Teens - Another aspect of many pools is meeting the needs of the teenage population. Serving the needs of this age group will require leisure pool amenities that will keep their interest (slides) as well as the designation of certain “teen” times of use.

5. Seniors - As the population of the United States and the Oro Valley area continues to age, meeting the needs of an older senior population will be essential. As has been noted, a more active and physically oriented senior is now demanding services to ensure their continued health. Aqua exercise, lap swimming, therapeutic conditioning and even learn to swim classes have proven to be popular with this age group.

6. Special needs population - This is a secondary market, but with the A.D.A. requirements and the existence of shallow warm water and other components, the amenities are present to develop programs for this population segment. Association with a hospital and other therapeutic and social service agencies will be necessary to reach this market.



7. Special interest groups - These include swim teams (and other aquatic teams), school district teams, day care centers and social service organizations. While the needs of these groups can be great, their demands on an aquatics center can often be incompatible with the overall mission of the facility. Care must be taken to ensure that special interest groups are not allowed to dictate use patterns for the center.

With the proper pools and strong utilization of the aquatics area, it is possible to meet most of the varied market orientations as outlined above.

Section IV – Project Input

An important aspect of determining the future direction for the Oro Valley Municipal Pool is through public input regarding the project. With the help of the Town of Oro Valley staff, a series of meetings were held to gather information regarding the pool.

Town Council Interviews – Interviews were held with the Mayor and a number of the Oro Valley Town Council members in December and January of 2010 and 2011.

Town Staff Interviews – A number of interviews were held with key Town staff on December 16 and 17, 2010.

Focus Groups – Two sessions with held with aquatic interest groups in the area were conducted on December 16, 2010.

What follows is a brief summation of the findings from these different input sources.

Town Council – meetings or phone conversations were held with the Mayor and a number of council members:

Some of the key information gathered from these meetings included:

- The Municipal Pool is an asset for the Town but needs to be upgraded.
- Increasing the cost recovery of the pool is a major goal. There is a feeling that the existing fees are too low.
- There are differing expectations on what the pool’s focus should be in the future. Some see it has being a world class competitive aquatic venue while others are more concerned with serving the community and emphasizing family based activities.
- Concern was expressed over the financial viability of a high end competitive aquatics center that would attract regional and national meets.
- There is a realization that the pool must serve more than just the residents of Oro Valley.
- The pool should serve and attract new residents and visitors to the area.

- It is expected that the existing pool will be improved or expanded rather than attempting to move to a new site. However, the Naranja Park site could at some point in the future also be a site for an aquatics center.
- Some council members see a partnership with the local swim teams as the way to improve operations and revenues at the pool.
- There is a desire to see different redevelopment options for the pool and possible phasing ideas.
- The recreational aspects of the pool must be enhanced.
- Determining the economic impact of bringing high profile swim meets to the pool will need to be critical aspect of the study.
- There are basic operational concerns with the pool as well. This includes scheduling and priorities of use, hours of operation, and the fees that are being charged.

Town Staff – meetings were held with the following Town staff:

Greg Caton, Assistant Town Manager
Stacey Lemos, Finance Director
Amanda Jacobs, Economic Development Manager
Ainsley Legner, Parks Recreation Library & Cultural Resources Director
Catherine Atalla, Aquatics Manager

Some of the key information gathered from these meetings included:

- The pool is one of the few recreational assets in the Town.
- The staff is open to exploring possible new directions for the pool.
- Keeping the pool at the current site is important.
- It will be critical to know the possible economic impact that a high profile competitive pool can bring to the community.
- It will be important to look at options and how the project may be able to be phased.

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- The Town is still in a tough position financially and expects to have no significant increases in revenues in the next five years. There will be no additional funds available for any increased operating costs at the pool.
 - The Town has a few existing funding sources:
 - Impact fees (Recreation) \$250,000
 - Naranja Park (Recreation) \$250,000
 - Bed Tax \$900,000

The bed tax generates yearly revenues that go to the general fund now.

The Town's bond threshold is \$3 to \$5 million.

- Public/private partnerships could be explored for the project.
- Establishing a 501(c)3 to help fund parks and recreation projects should be considered.
- The pool has physical problems especially the locker rooms, office area, entrance, and deck.
- The pool should help attract businesses and people to Oro Valley.
- The first priority for the pool should be to serve Town residents and their recreational swimming needs.
- Sponsorships and the sale of naming rights for the pool need to be explored.
- Oro Valley will have to determine the role and importance that competitive swimming will have in the community.

Focus Groups – two focus group sessions were held:

Competitive Swim Teams
Other Pool Users

Some of the key information gathered from these meetings included:

Competitive Swim Teams

Representatives of the following swim teams were present at the focus group session:

- FAST – Flying Fish Arizona Swim Team
- Pusch Ridge Swim Team
- Ironwood Ridge High School
- Canyon del Oro High School
- Pusch Ridge Christian Academy

Each of the teams described their teams and the use of the Oro Valley Municipal Pool.

FAST – is a 2 year old USA team that has 250 swimmers during the summer and 160 year round. They swim 6 days a week at the pool in the afternoon and morning. They use 6 lanes in the afternoon and 4 in the morning. The team hosts 6 meets a year, 2 of which are long course. Most meets are 2.5 days and the team does not believe that they can host anymore meets. The team also swims at El Conquistador Country Club. They also have a Masters Swim Team as well. They pay the Town approximately \$25,000 a year for use of the pool.

Pusch Ridge Swim Team – the USA team started in the 1980’s and has 200 swimmers in the summer and 60-100 year round. They swim 6 days a week in the afternoons and use 4 lanes. They conduct 6 short course meets (5 in the summer) and most are single day events. They do not want to host any other additional meets. They pay the Town approximately \$20,000 a year for use of the pool.

Ironwood Ridge High School – the high school season is August to late October. They have 50-60 swimmers and swim from 5:00-6:30pm using 8 lanes five days a week. Revenue to the Town is approximately \$15,000 a year.

Canyon del Oro High School – they have 50-60 swimmers and swim from 3:30-5:00pm using 8 lanes five days a week. Revenue to the Town is approximately \$15,000 a year.

Pusch Ridge Christian Academy – they have 40-50 swimmers but only 15-20 kids at a time at the pool. They have only been using the pool for a couple of years. They practice 5 days a week and use 3 lanes. Revenue to the Town is approximately \$3,000 a year.

Issues for the competitive swim teams include:

- The teams have been losing lanes and times to swim over the past few years as new teams come to the pool. They all want more lanes and time for practice.
- The teams do not want to pay more for pool time and are also looking for stability and consistency in operations of the pool

- The teams believe that the pool should focus more on local swim teams and meets and not strive to be a national facility for meets.
- The locker rooms are very poor.
- The pool needs to have better outdoor lighting.
- There is concern if fees to use the pool increase in the future.
- More deck space is needed for meets. The existing deck is in poor condition.
- There is a lack of parking at the pool, especially when baseball and soccer are going on. Having a better transition between the school parking lot and the park would help.
- There is a critical need for more storage for swim team equipment.
- The pool should have an area for concessions, especially for swim meets.
- The wading pool should be replaced with a 4 lane warm up pool.
- The pool needs to have its own scoring system and a scoreboard.
- There needs to be additional seating and shade structures.
- It would be great to have an indoor training room that could also be used for birthday parties.

Pool Users

A number of people who currently use the pool for a variety of activities were present at this focus group. The users included:

- Lap swimmers
- Masters swimmers
- Water aerobics
- Tri-athletes
- Competitive swimmers

Issues for the users include:

Physical Improvements

- The locker rooms need to be enclosed, have lockers, and be heated.
- There needs to be individual showers with changing areas.
- Improved infrastructure is needed to support swim meets. This would include a warm-up, cool-down pool.
- There needs to be a cooler water temperature for meets and warmer for other uses.
- The pool is too shallow at one end to support competitive swimming but the depth is necessary to support aerobics.
- The wading pool needs to be upgraded.
- The pool deck needs to be improved.
- Families need more shade. There needs to be more amenities for kids.
- To achieve a world class aquatic center there would need to be a new pool.

Operational

- There is concern over the pool being closed during mid day.
- People would be willing to pay more if the pool was open longer hours.
- There needs to be better marketing of the pool. This starts with better signage on Oracle.
- Lap swimming has too many swimmers per lane.
- There needs to be more equity between swim team users of the pool and other uses.
- Swim coaches should be able to act as guards rather than having to hire Town guards.

Other

- Many non-residents use the pool, should Oro Valley residents be taxed to support their use?

- While users want to see improvements to the pool they do not need a world class facility.
- A world class competitive pool with a leisure pool would be a great draw for the area.
- The Town should optimize what they have now at the pool.



Section V – Municipal Pool Assessment

The following is a brief assessment of the physical condition and operating factors associated with the Oro Valley Municipal Pool.

The pool is almost 40 years old and it is certainly beginning to show its age. It is a conventional 50 meter pool that has a strong orientation to competitive and lap swimming. The support amenities (locker rooms, office area, storage and concessions) are not in alignment with user expectations and limit the overall appeal of the facility. The pool is open year round and requires a substantial financial subsidy from the Town to keep operating. Approximately 50% of the pool's users are residents of Oro Valley.

Market/Current Uses

With the conventional pool configuration that Oro Valley Municipal Pool has a unique market position.

- Due to the competitive nature of the pool itself and its 50 meter configuration, it has a very regional orientation with competitive swimmers, lap swimmers, and tri-athletes coming from the north Tucson market area.
- The 50 meter pool is one of only three in the greater Tucson area, which provides a viable market for competitive swimming and swim meets.
- With only conventional water and lower water temperatures in deeper water, the pool does not have much of any recreational swimming appeal. There are open swim times available at the pool and there is reasonably strong youth attendance during the summer months.
- By far the greatest year round users of the pool are the two USA swim teams and in the fall the three high school swim teams. The fees paid by these groups does not come close to covering the cost of operating the pool.
- The pool has a variety of program offerings, some that are offered by the pool itself and others that are provided by outside organizations. The level of programming is relatively limited based in part by the pool's water temperature, depth and available program space. The main program offerings at the pool include:
 - Competitive swim teams - conducted by non-profit swim teams and high schools. This also includes a masters (adult) swim program and swim meets.
 - Swim lessons – run in the summer by the pool staff



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- Adult swim for fitness – a stroke and lap swimming program operated by the pool staff.
 - Aqua exercise – run by the pool staff
 - Inner tube water polo – a program offered by the pool during the summer
 - Private and semi private swim lessons – offered by Dolphins of the Desert Swimming Academy.
 - Infant Swim Resource – a privately run program for infants.
 - Scuba – operated by a local scuba shop (Planet Scuba)
 - Special events – the pool staff offer a number of special events at the pool during the year.
 - Tri Athlete Program – offered by Dolphins of the Desert Swimming Academy.
 - Therapeutic Aquatics – a privately run program for individuals with special needs and/or disabilities.
- There are a number of swim meets held at the pool, particularly in the summer. These meets are organized and conducted by the local swim teams. There could be 12 to 15 meets a year. Most of these are local meets with some regional (Arizona) meets being held as well. Larger regional and national meets are difficult to run due to the physical limits of the pool and its support amenities.
 - The pool is utilized by all age groups but the primary users are youth.
 - The current pool makes it difficult to adequately support competitive swimming, aquatics programming and recreational swimming.

Physical Condition Summary

Due in part to the age of the pool it has a number of improvements that need to be made to the facility.

- The Town has continued to maintain and upgrade the pool's mechanical system and it is in relatively good working condition.
- The pool tank is also in relatively good condition, however the shallow depth at one end (under 4 feet) and the stairs, limits the number of lanes to 16 in the yard configuration (when most 50 meter pools can get 20 to 22 lanes). It also makes starts in the 50 meter direction at the far end impossible. Expanding the pool to allow for a bulk head to be added would also improve the use of the pool for competitive swimming.
- The wading pool is small, has no interactive play elements, and is not aesthetically pleasing.

MUNICIPAL POOL ASSESSMENT

Oro Valley Municipal Pool



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- The olympic pool tank requires a single water temperature which cannot meet all the aquatic needs of the community and the fact that the vast majority of the pool has deep water limits its programmatic and recreational use.
 - The greatest issue with the pool is in the support amenities.
 - The bath house is in desperate need of being upgraded as it is in poor condition and is too small for the number of pool patrons. It also does not have any family change rooms.
 - The locker rooms need to be enclosed, heated, day lockers added, and the showers improved.
 - The entry is uninviting and does not allow staff to control access to the pool itself effectively.
 - The office area is inadequate and needs to be expanded. The technology needs to be upgraded with computerized registration, pass sales and scheduling possible from this location.
 - The concession and shaded seating area is too small and there are no concession services available.
 - There is a definite lack of storage.
 - The lighting over the pool and deck has been improved with the addition of new lights.
 - There is very limited shade and no grass areas available inside the pool fence itself.
 - The deck is in very poor condition and needs to be replaced.
 - For competitive swimming the pool also has a number of issues.
 - The deck is too narrow and needs to be enlarged.
 - There is not enough seating and it needs to be available both in the 25 yard and 50 meter configuration.
 - There is also no warm-up or cool down pool for meets.
 - The pool does not have a timing system or scoreboard.
 - There is the perception that there is not adequate parking available at the pool for large events.

A more detailed physical condition report is located in the appendix of this report.

Operations

The Town has a number of operational issues with the pool.

MUNICIPAL POOL ASSESSMENT

Oro Valley Municipal Pool



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- The pool has a low level of cost recovery (between 15% and 30%). This is due in part to the following.
 - 50 meter pools are expensive to operate and maintain and it is nearly impossible to have a cost recovery rate much above 50%.
 - Competitive swim teams, while paying fees for pool time, cannot provide enough revenue on a yearly basis to fully offset the cost of their use.
 - Swim meets while bringing recognition and large number of users to the pool, do not provide a large revenue stream for the facility. There is an economic impact to the community for meets that draw swimmers from out of the immediate area, but this does not show up as revenue for the pool itself.
 - Year round operation is expensive and during the winter months (and even the shoulder seasons), there is a limited market (primarily competitive swim teams) for pool use and revenue.
 - With virtually no appeal to the recreational swimmer, the market for the pool is severely limited.
 - The physical look and feel of the pool does not draw users to the facility.
 - The user fees for the pool are low and are impacted by the fact that Arizona has historically had very low fees for swimming and recreation.

 - There is very little promotion or marketing of the pool, especially on a more regional basis.

 - Attempts to control costs of operation have resulted in limited hours and levels of service. There has been some backlash from the community and pool user groups as a result.

 - The Town utilizes Jeff Ellis for its lifeguard and learn to swim program. This is a strong point for the pool.

 - A number of programs and services that are provided at the pool are being conducted by outside organizations. The Town receives only a 20% payment of revenue for these programs.

 - Despite the fact that the pool can handle 16 lanes in the yard configuration, the demand for lane time during the prime time for competitive swim team use (late afternoon to early evening) results in teams being short on what they need.

 - It is important to realize that a public pool must attempt to balance the needs of all users and this will often result in certain groups not receiving the time or support that they believe is needed.

Future Direction

MUNICIPAL POOL ASSESSMENT

Oro Valley Municipal Pool



Ultimately the Town will need to make both a philosophical and monetary decision regarding the future of the Oro Valley Municipal Pool. This includes:

- Who should the pool serve? The local Oro Valley market and/or a more regional market. If the answer is the local market the pool will need to have a much stronger orientation to recreational swimming and aquatic programming. If it is a regional focus then enhancing the competitive market will be critical.
- How important is increasing the rate of cost recovery for the pool? If this is one of the primary goals, then the facility will need to concentrate on becoming a more well rounded facility that serves the recreational swimming market well (this will require a new leisure oriented pool), the aquatic program needs of the community (warmer water and more shallow water), and the competitive swimming market to a lesser degree. This will require a substantial capital investment.
- A true world class competitive aquatics center will require a significant capital investment (deeper 50 meter pool, new warm up pool, much larger deck space, increased seating and a new bath house).
- A world class competitive aquatics center will most likely increase the operational subsidy required for the facility and will result in a facility with a much larger regional focus. As a result, a facility of this nature will most likely require an equity partner to assist with capital and operational funding.
- Developing regional and national swim meets will be difficult to accomplish, will not bring significant dollars to the facility itself, and does not have a high level of support from the pool's swim teams. However, these events will provide a significant economic impact to the area.
- Regardless of the future market direction of the pool, there will need to be some basic improvements to the facility. This would include the bath house, pool deck, and shade.
- There will need to be an on-going effort to systematically increase fees for all types of pool uses including basic admission, program fees and swim team rates. However, with the low fees that are currently being charged in the area, this will prove to be difficult and require slow and gradual increases.



Section VI – Facility Concept and Capital Cost Estimate

Based on the information gathered in the previous sections, the project team moved forward with the development of a three phased approach to making improvements and additions to the Oro Valley Municipal Pool. These phases were based on the following goals:

- A strong desire to reduce the current operational subsidy required annually for the pool.
- Increase the rate of utilization of the pool, especially among residents of Oro Valley
- Improve the ability of the pool to host competitive swimming on both the local and regional level.

Recommended Improvements:

Each proposed improvement is assigned a phased approach, which determines the importance of the repair/improvement. The phase level is assigned to an improvement based on the following: priority, time frame, and assessment criteria. This information was developed by Water Technology, Inc.

Phase I; Minor Update to Existing Facility

- A. Time Frame: Immediate to two years
- B. Assessment Criteria: Deterioration of structures; health and human safety deficiencies; Pima County Public Health Code compliance; maintenance items that will reduce future maintenance; maintenance improvements that will save resources and operational expense for the community. Some improvements to remain appealing to current predominant user groups.
- C. Items to be accomplished:
 1. Renovate locker rooms to expand size so that the men's changing room will be located where the existing changing rooms are now and the women's changing room will be created where the pool administrative staff room is now.
 2. The pool check in will move to the front of the building and wrap around the building to consume some of the existing cantina space to provide for pool side visual connection.

FACILITY CONCEPT & CAPITAL COST

Oro Valley Municipal Pool



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3. The fence on the east side of the pool will be set back further east to provide additional deck space and sun turf inside the fenced area.
 4. Improve area lighting for use at night.
 5. The current kid's pool will be removed and this area paved for additional deck seating. The existing shade structure will remain.
 6. Deck water drainage will be improved with appropriate trench drains.
 7. The entire pool deck surface will be removed and a new cool slip resistant deck surface will be installed.
 8. Additional shade will be provided with three 200 sf shade structures.
 9. Additional deck furniture will be provided for user comfort.
 10. The existing gutter will be replaced and a surge tank installed to provide better performance.
 11. Modify Competition pool to provide ten lanes of 25 yard starting at USA Swimming compliant depths and starting from both ends of the 50 meter pool.
 12. One of the pool pump motors has experienced operational issues and will be replaced with a high performance motor.
 13. The existing aqua stats of the heaters that do not provide accurate temperature control will be replaced with a digital heat management system.
 14. A new interactive splash pad will be installed on the east side of the pool with a dynamic water play structure. This splash pad will have the option to have some standing water up to 18 inches deep when it is desired and can be guarded. This will be master planned to exist in concert with future aquatic amenities.

Phase II; Major Upgrades and Significant Increase in Attraction Value

- A. Time Frame: Immediate to future contingent on project funding.
- B. Assessment Criteria: Repairs and upgrades outlined in Phase One plus additional amenities and facility features that will keep the facility appealing for Current users and provide a moderately increase attendance.



C. Items to be accomplished:

1. This renovation plan assumes that all the items in the phase one plan have been completed.
2. Provide a new changing facility that provides the additional changing room requirements by the health code for the master planned pool additions. This facility will be located so that it has an intermediate location to the existing parking and provides a gracious access path to the existing and new aquatic features. This facility will also provide family changing rooms and a concessions area. There will be a new mechanical area for the planned aquatic elements.
3. Create a new intergenerational recreational pool that will complement the existing aquatic amenities and provide for more flexible program options and increased recreational appeal. This new 4,500 square foot pool will feature a zero depth entry for friendly entry to the pool with water play features, multipurpose open water space, adventure walk crossing activity and a lazy river that attracts recreational uses and is desired by water walking active aging adults. This new pool will be able to function and provide enjoyment to the community when a swim meet is taking place.
4. Install a water slide that provides a dual tower so that one body flume can be installed now and a future speed flume can be installed in the future.
5. Provide additional deck surface surrounding the new recreational pool and water slide to compliment the previously renovated deck surfaces.
6. Install three additional shade structures.
7. Provide additional deck chairs and chaise lounges for the new recreational pool.

Phase III; Expand Competition Venue

- A. Time Frame: One to future contingent on project funding.
- B. Assessment Criteria: Repairs and upgrades outlined in Phases One and Two plus Improvements that will enhance the competition venue level, programming, patrons' enjoyment and increase competition attendance and program potential.
- C. Items to be accomplished:

FACILITY CONCEPT & CAPITAL COST

Oro Valley Municipal Pool



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1. This renovation plan is that final step in this master plan that assumes that all the items in the requisite Phase I and the Phase II Renovation have been completed.
 2. Provide for a multipurpose 6 lane 25 yard lap pool. This pool will provide for a warm up and warm down pool for larger swimming meets and will provide additional program and recreational space.
 3. Provide an exciting drop slide for a unique amenity that can go into deeper water.
 4. Expand then deck required supporting this pool operation and connecting to the existing facilities.
 5. There will be additional concrete for expanded spectator seating for long course events. Provide additional spectator seating and shade.
 6. Install a new 10 lane timing system and medium level score board.
 7. Install two new shade structures for this pool environment.

Cost Estimate and Concept Plan:

On the following pages, Water Technology, Inc. has developed a capital cost estimate for each phase. These estimates are based on 2011 estimated costs. In addition, a preliminary concept plan for each phase has also been drawn up that shows the approximate location and size of the improvements noted above.

It should be noted that the cost estimates and concept plans are basic in nature and will need to be developed in much more detail once the project moves forward from a planning study.

FACILITY CONCEPT & CAPITAL COST

Oro Valley Municipal Pool



*ESTIMATE OF PROBABLE COST
Town of Oro Valley Municipal Pool Phase I
02.28.11*

ELEMENT	QUANTITY	COST
<u>Requisite Maintenance</u>		
Demolition/Earthwork for deck drainage	Allowance x \$7,000.00	\$7,000
Deck Drainage	600 SF x \$25.00	\$15,000
Lighting Updates	Allowance x \$20,000.00	\$20,000
Site Utilities (Excavation & Backfill)	Allowance x \$8,000.00	\$8,000
Site Improvements	Allowance x \$4,000.00	\$4,000
Decks and Walkway Resurfacing	20,000 SF x \$6.50	\$130,000
Circulation Pump Renovation to Resolve Operational Issues	1 LS x \$6,000.00	\$6,000
Replace Thermostat with Heat Mangement System	1 LS x \$4,500.00	\$4,500
Site Signage	Allowance x \$2,000.00	\$2,000
East Side Fence Set back and Extension	1 LS x \$22,000.00	\$22,000
Subtotal		\$218,500
<u>Architecture Operational Improvement</u>		
Change Facility/Admin. Building Modifications	300 SF x \$320.00	\$96,000
Aquatics Staff and Admin/Room	300 SF x \$180.00	\$54,000
Existing Wading Pool Removal and Replace Deck	1 LS x \$15,500.00	\$15,500
Shade Structures	3 EA x \$5,000.00	\$15,000
Subtotal		\$180,500
<u>Aquatics Operational Improvement</u>		
50 Meter Pool Depth Modifications	2,625 SF x \$230.00	\$603,750
Install High Performance Gutter	345 LF x \$240.00	\$82,800
Surge Tank	1 LS x \$24,000.00	\$24,000
Water Splash Pad	1 LS x \$80,000.00	\$80,000
Water Play Structure	1 LS x \$250,000.00	\$250,000
Water Play System	1 LS x \$25,000.00	\$25,000
New Splash Pad Decks and Walkway with Slip Resistant Surface	12,000 SF x \$9.00	\$108,000
Subtotal		\$1,173,550
Subtotal - Estimated Construction Cost		\$1,572,550
Contractor Markup (Overhead & Profit)	8% x \$1,572,550.00	\$125,804
Contingency	5% x \$1,572,550.00	\$78,628
TOTAL ESTIMATED CONSTRUCTION COST		\$1,776,982
<u>Owner Expenses & Project Fees</u>		
Project Fees (A&E, Permits, Testing, Surveys)	10% x \$1,776,981.50	\$177,698
Owner's F.F. & E. (Furniture, Fixtures & Equipment)	Allowance x \$45,000.00	\$45,000
Subtotal Estimated Owner Expenses & Project Fees		\$222,698
TOTAL ESTIMATED PROJECT COST (2011 Dollars)		\$1,999,680

FACILITY CONCEPT & CAPITAL COST

Oro Valley Municipal Pool



*ESTIMATE OF PROBABLE COST
Town of Oro Valley Municipal Pool Phase II
02.28.11*

ELEMENT	QUANTITY	COST
Site Development		
Demolition/Earthwork	Allowance x \$25,000.00	\$25,000
Site Utilities (Excavation & Backfill)	Allowance x \$60,000.00	\$60,000
Site Improvements	Allowance x \$15,000.00	\$15,000
Vehicular Circulation	1,000 SF x \$3.00	\$3,000
Site Parking	EA x \$1,500.00	\$0
Decks and Walkway Resurfacing	10,000 SF x \$6.50	\$65,000
Deck Drainage	10,000 SF x \$1.00	\$10,000
Turf & Irrigation	14,000 SF x \$2.50	\$35,000
Shade Structures	3 EA x \$5,000.00	\$15,000
Landscape	Allowance x \$40,000.00	\$40,000
Lighting for Night Use	Allowance x \$25,000.00	\$25,000
Fence- Barrier	300 LF x \$25.00	\$7,500
Site Signage	Allowance x \$2,000.00	\$2,000
Subtotal		\$302,500
Architecture		
Change Facility/Admin. Building Modifications	2,500 SF x \$220.00	\$550,000
Aquatics Mechanical Building/Room	900 SF x \$170.00	\$153,000
Subtotal		\$703,000
Aquatics		
Outdoor Leisure Pool	4,500 SF x \$190.00	\$855,000
Lazy River w/ Action Channel 210 LF Propulsion	1 LS x \$22,000.00	\$22,000
Body Flume Waterslide & Tower	Allowance x \$250,000.00	\$250,000
Water Play Structure	1 LS x \$180,000.00	\$180,000
Water Play System	1 LS x \$35,000.00	\$35,000
Adventure Crossing	1 LS x \$45,000.00	\$45,000
Subtotal		\$1,387,000
Subtotal - Estimated Construction Cost		\$2,392,500
Contractor Markup (Overhead & Profit)	8% x \$2,392,500.00	\$191,400
Contingency	5% x \$2,392,500.00	\$119,625
TOTAL ESTIMATED CONSTRUCTION COST		\$2,703,525
Owner Expenses & Project Fees		
Project Fees (A&E, Permits, Testing, Surveys)	8% x \$2,703,525.00	\$216,282
Owner's F.F. & E. (Furniture, Fixtures & Equipment)	Allowance x \$75,000.00	\$75,000
Subtotal Estimated Owner Expenses & Project Fees		\$291,282
TOTAL ESTIMATED PROJECT COST (2011 Dollars)		\$2,994,807

FACILITY CONCEPT & CAPITAL COST

Oro Valley Municipal Pool



*ESTIMATE OF PROBABLE COST
Town of Oro Valley Municipal Pool Phase III
02.28.11*

ELEMENT	QUANTITY	COST
Site Development		
Demolition/Earthwork	Allowance x	\$15,000.00
Site Utilities (Excavation & Backfill)	Allowance x	\$8,000.00
Site Improvements	Allowance x	\$10,000.00
Vehicular Circulation	0 SF x	\$3.00
Site Parking	0 EA x	\$1,500.00
Decks and Walkway Resurfacing	8,000 SF x	\$6.50
Deck Drainage	8,000 SF x	\$1.00
Turf & Irrigation	7,000 SF x	\$2.50
Shade Structures	2 EA x	\$5,000.00
Landscape	Allowance x	\$6,000.00
Lighting for Night Use	Allowance x	\$6,000.00
Fence- Perimeter	0 LF x	\$28.50
Fence- Barrier	500 LF x	\$25.00
Site Signage	Allowance x	\$1,000.00
Subtotal		\$146,000
Architecture		
Change Facility/Admin. Building Modifications	0 SF x	\$230.00
Aquatics Mechanical Building/Room	0 SF x	\$170.00
10 Lane Scoreboard and Timing System	Allowance x	\$65,000.00
Spectator Seating with shade on 50 meter course	Allowance x	\$45,000.00
Subtotal		\$110,000
Aquatics		
Multipurpose Lap/Program Pool- 6 lanes	3,400 SF x	\$190.00
Competition Equipment	1 LS x	\$22,000.00
Drop Slide & Tower	1 LS x	\$35,000.00
Subtotal		\$703,000
Subtotal - Estimated Construction Cost		\$959,000
Contractor Markup (Overhead & Profit)	8% x	\$959,000.00
Contingency	5% x	\$959,000.00
TOTAL ESTIMATED CONSTRUCTION COST		\$1,083,670
Owner Expenses & Project Fees		
Project Fees (A&E, Permits, Testing, Surveys)	8% x	\$1,083,670.00
Owner's F.F. & E. (Furniture, Fixtures & Equipment)	Allowance x	\$30,000.00
Subtotal Estimated Owner Expenses & Project Fees		\$116,694
TOTAL ESTIMATED PROJECT COST (2011 Dollars)		\$1,200,364

FACILITY CONCEPT & CAPITAL COST

Oro Valley Municipal Pool



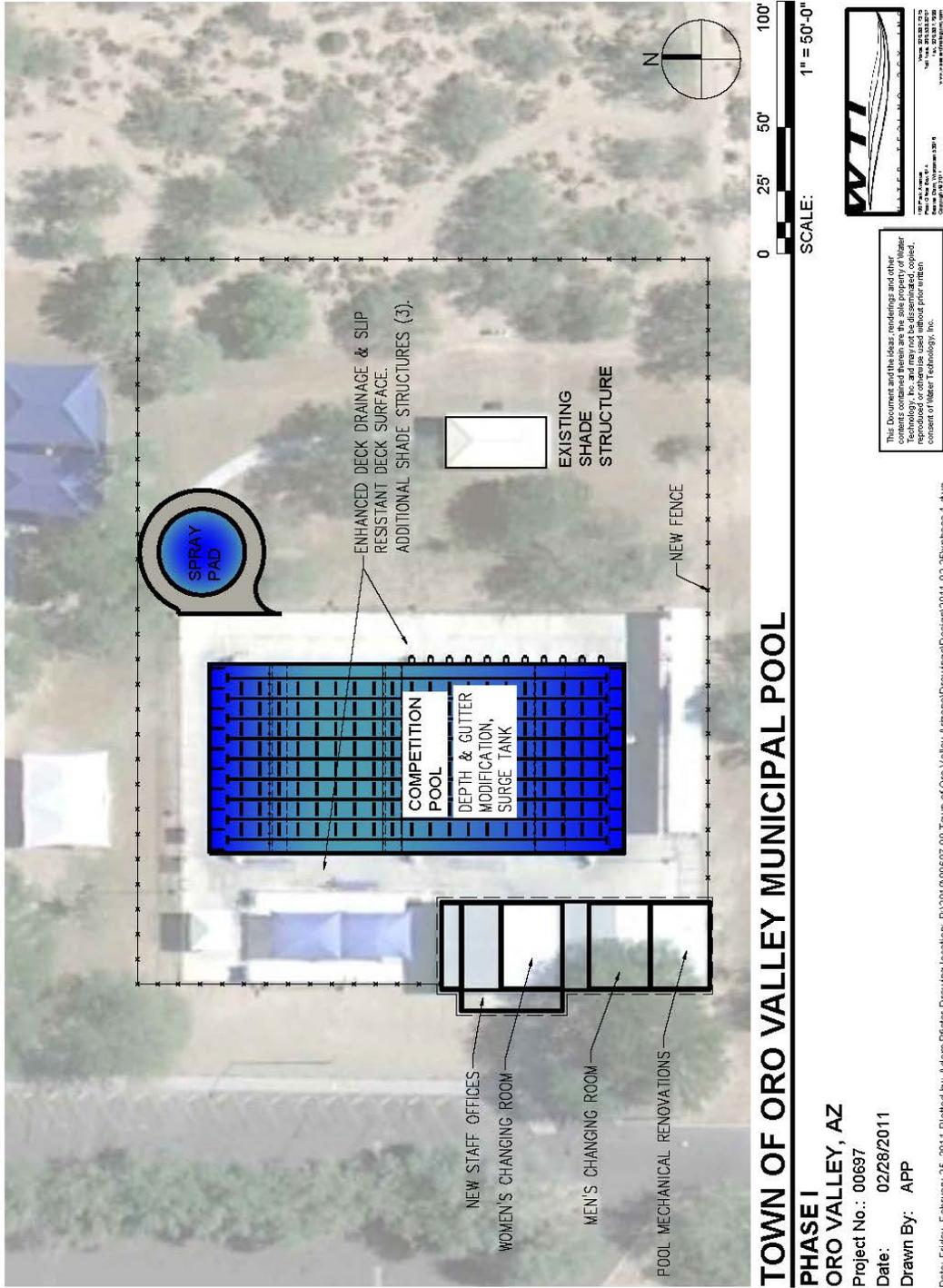
Total Cost Estimate and Project Timing:

The following chart summarizes the three phases of proposed improvements to the Oro Valley Municipal Pool in terms of the time that is needed for design and construction as well as the estimated total cost of all three phases.

Phase	Design Period	Construction Period	Project Phase Cost Opinion
Phase I	2 to 3 months	3 to 4 months 50 M pool closed	\$1,999,680.00
Phase II	3 to 4 months	4 to 6 months No pool closure	\$2,994,807.00
Phase III	2 to 3 months	3 to 4 months No pool closure	\$1,200,364.00
Total			\$6,194,851.00

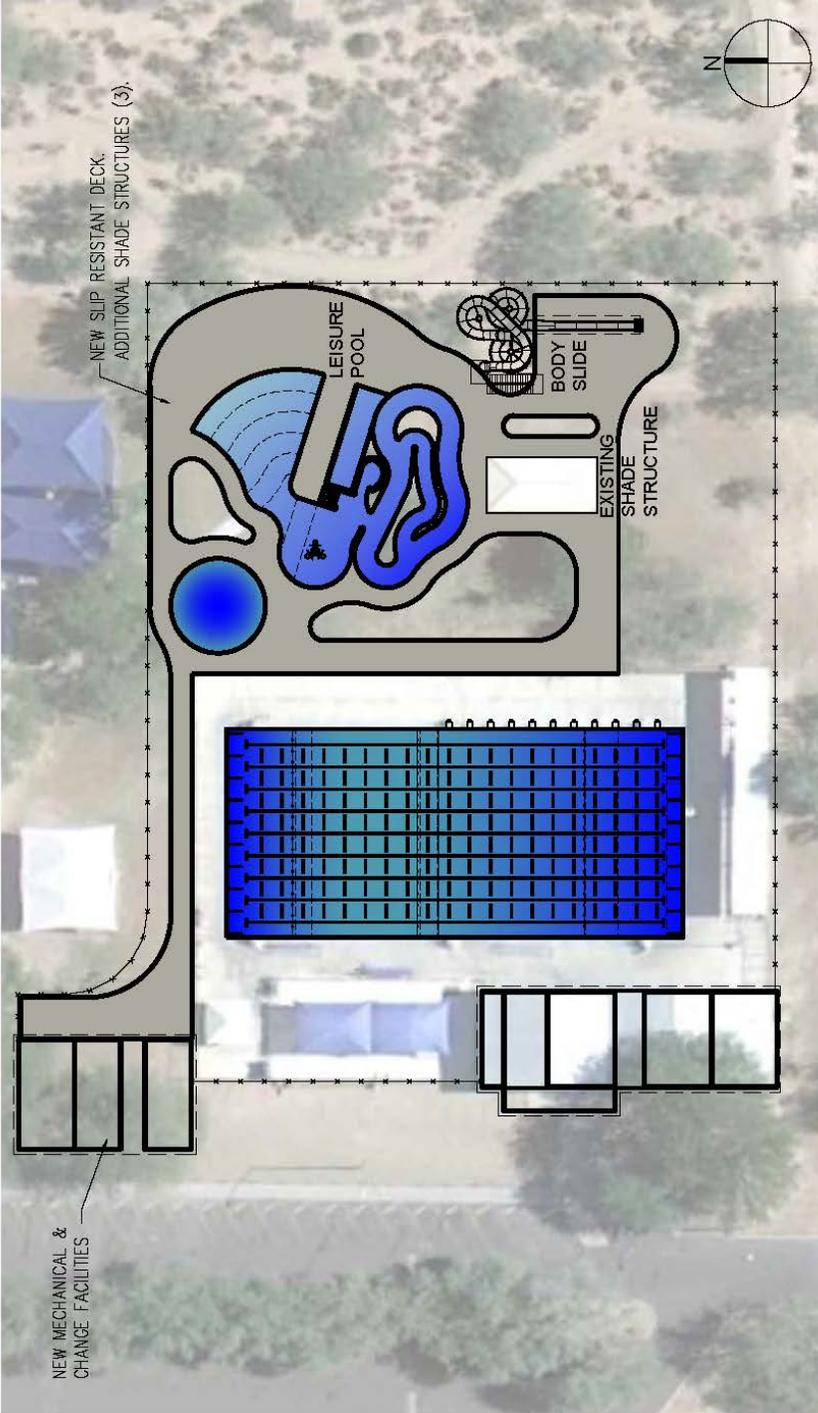
FACILITY CONCEPT & CAPITAL COST

Oro Valley Municipal Pool



FACILITY CONCEPT & CAPITAL COST

Oro Valley Municipal Pool



TOWN OF ORO VALLEY MUNICIPAL POOL

PHASE II
ORO VALLEY, AZ

Project No.: 00697

Date: 02/28/2011

Drawn By: APP

Date: Friday, February 25, 2011 Plotted by: Adam Pfister Drawing location: P:\201\000697\00 Town of Oro Valley Arizona\Drawings\Design\2011_02_25\phase 2.dwg

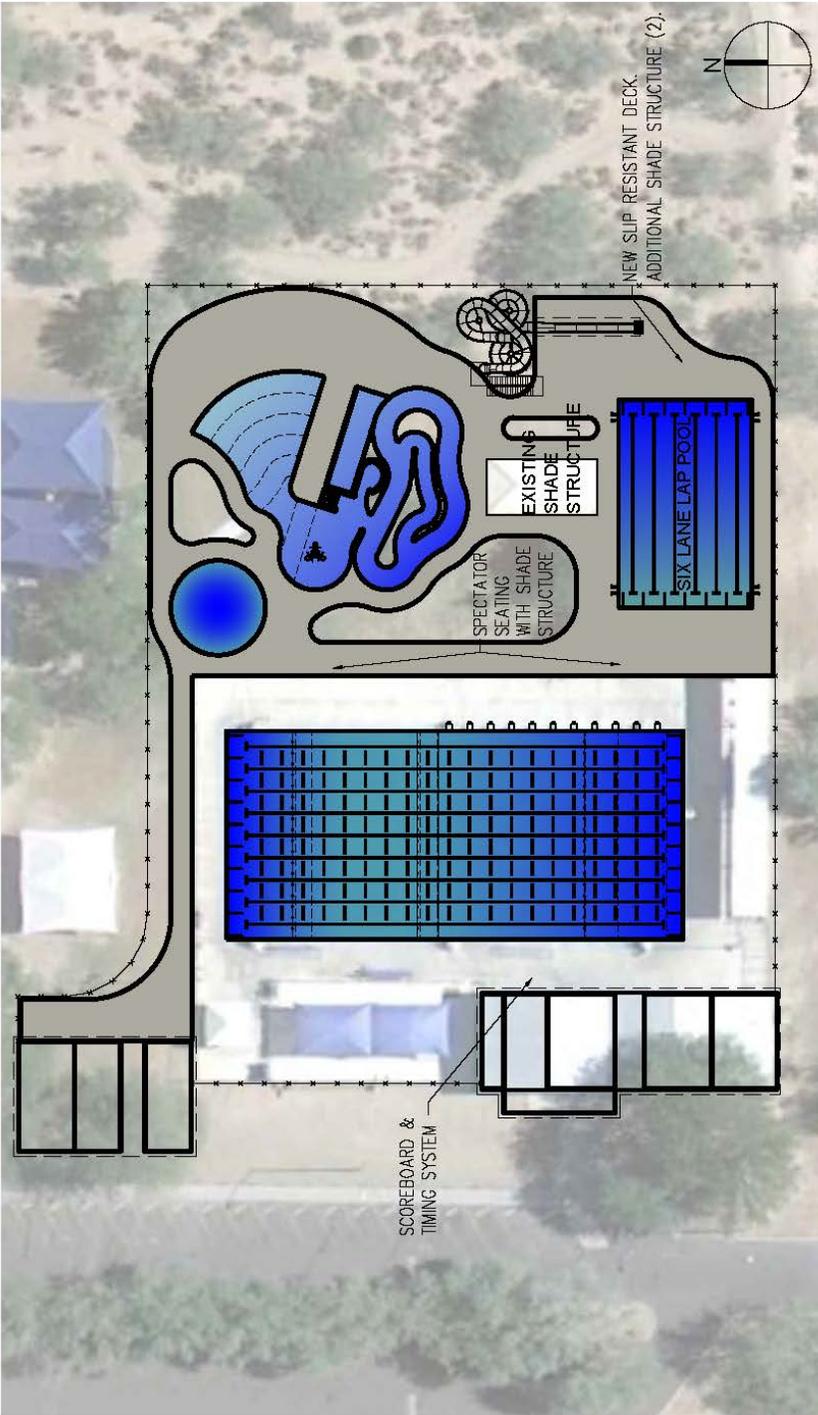
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FACILITY CONCEPT & CAPITAL COST

Oro Valley Municipal Pool



TOWN OF ORO VALLEY MUNICIPAL POOL

PHASE III
ORO VALLEY, AZ

Project No.: 00697

Date: 02/28/2011

Drawn By: APP

Date: Friday, February 25, 2011 Plotted by: Adam Pfister Drawing location: P:\201\000697\00 Town of Oro Valley Arizona\Drawings\Design\2011_02_25\phase 3.dwg



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Section VII – Operations and Economic Impact Projections

Utilizing the three phases that were outlined in the previous section the following operations and economic impact projections have been made.

Operations Projections

Phase I –

Description: Phase I improvements include the following elements which will have an impact on operations.

- Expansion of the change facility/administrative building.
- New and improved deck.
- Additional shade structures
- 50 meter pool is deeper and has a new deck.
- New splash pad.

Parameters:

- The pool will continue to be operated by the Town.
- The improvements will not be completed until 2012 at the earliest.
- The splash pad replaces the existing wading pool and the expenses for this amenity are moved to the new splash pad.
- The splash pad will be a seasonal amenity (May through September) and will have some standing water (will need to be guarded).
- By making the 50 meter pool deeper at one end and moving the stairs another 4 lanes are available for swim team training.
- The hours of operation will remain the same.
- Program and service impact
 - 10% increase in user fees
 - Increase in the number of users (primarily from the splash pad)
 - Small increase in swim lessons
 - Small increase in rentals (with an additional 4 lanes available at the new deeper end of the pool).
 - It is not anticipated that there will be any increase in the number of swim meets or other events.

OPERATIONS & ECONOMIC IMPACT

Oro Valley Municipal Pool



Operational Impact:

Fees: It is anticipated that with the reopening of the pool that there will be a 10% across the board increase in all fees.

Expenses:

Category:	Amount
Personnel	
Lifeguard (\$10/hr. x 61hrs x 9 wks.)	\$5,490
Swim Instructor (\$10/hr. x 5hrs x 10 wks/yr.)	\$500
Benefits (10%)	\$1,634
Sub-total	\$7,624
Operating Supplies (Chemicals, janitorial, etc.)	\$7,000
Utilities (pool mechanical, water, lighting, etc.)	\$20,000
Other	\$2,000
Total	\$36,624

Revenues:

Category:	Amount
Admission Revenue	
10% fee increase on existing fees	\$12,000
New Revenues (daily adm/season passes)	\$27,719
Program Revenue	\$1,000
Rentals \$4.5/lm x 4 lm x 2hrs x 5/days x 40 wks	\$7,200
Other (vending, etc.)	\$2,000
Total	\$49,919

Expense/Revenue Differential:

Category:	Amount
Expenses	\$36,624
Revenues	\$49,919
Difference	+\$13,295

OPERATIONS & ECONOMIC IMPACT

Oro Valley Municipal Pool



Expense/Revenue 3 Year Model

- Expenses increase by 3% and revenues by 5% a year.

Category:	Year 1	Year 2	Year 3
Expenses	\$36,624	\$37,723	\$38,854
Revenues	\$49,919	\$52,415	\$55,036
Difference	+\$13,295	+\$14,692	+16,181

Other Operational Issues:

- To complete the necessary improvements to the 50 meter pool, the pool will have to be closed for an estimated 4 to 6 months.



Phase II –

Description: In addition to the Phase I improvements, Phase II includes the following elements which will have an impact on operations.

- New change rooms with family change and concession area.
- New recreational pool with slide and interactive play features
- Additional shade structures

Parameters:

- The pool will continue to be operated by the Town.
- The improvements will not be completed until 2012 or later.
- These improvements are in addition to those noted in Phase I.
- The recreational pool will be a seasonal amenity (summer and weekends May and September).
- The hours of operation will remain the same during the summer on weekdays but will be expanded to include Sundays in May and September. The pool will also be open until 9:00pm on weekends. However, the recreational pool will not open for recreational swimming until 11:00am each day.
- Concessions will operated in-house and will be a seasonal amenity (summer and weekends May and September).
- Program and service impact
 - 50% increase in user fees (from the original fees)
 - There will be a substantial increase in the number of users (primarily from the recreational pool)
 - Increase in swim lessons
 - Small increase in rentals (recreational pool).
 - It is not anticipated that there will be any increase in the number of swim meets or other events.

Operational Impact:

Fees: With the new recreation pool, it has been calculated that there will be a 50% increase in admission rates only.

OPERATIONS & ECONOMIC IMPACT

Oro Valley Municipal Pool



Expenses:

Category:	Amount
Personnel	
Supervisor	
May & Sept. (\$12/hr. x 10hrs x 16 days)	\$1,920
Summer (\$12/hr. x 10hrs x 98 days)	\$11,760
Lifeguard (Rec. Pool)	
May & Sept. (\$10/hr. x 103hrs x 8wk x 5)	\$8,240
Summer (\$10/hr. x 368hrs x 14wk x 5guard)	\$51,520
Lifeguard (Competitive Pool)	
Additional hours being open	\$7,920
Cashier (Rec. Pool.) \$10/hr.	\$11,400
Concession Supervisor \$12/hr.	\$13,680
Concession Cashier \$10/hr.	\$11,400
Swim Instructor (\$10/hr.-Lessons/Parties)	\$6,400
Benefits (10%)	\$12,424
Sub-total	\$136,664
Operating Supplies (chemicals, janitorial, etc.)	\$53,000
Utilities (pool mechanical, water, lighting, etc.)	\$51,000
Other (capital replacement)	\$3,000
Total	\$243,664

Revenues:

Category:	Amount
Admission Revenue	
40% fee increase (on top of the 10% Phase I)	\$54,000
New Revenues	
Daily Admissions	\$40,442
3 Month Passes	\$24,188
Annual Passes	\$14,566
Program Revenue	\$30,440
Concessions (gross revenues)	\$75,000
Rentals (recreational pool)	\$4,000
Other (vending, etc.)	\$10,000
Total	\$252,635

OPERATIONS & ECONOMIC IMPACT

Oro Valley Municipal Pool



Expense/Revenue Differential

Category:	Amount
Expenses	\$243,664
Revenues	\$252,635
Difference	+\$8,971

Expense/Revenue 3 Year Model

Category:	Year 1	Year 2	Year 3
Expenses	\$243,664	\$250,974	\$258,503
Revenues	\$252,635	\$265,267	\$278,530
Difference	+\$8,971	+\$14,293	+\$20,027

Other Operational Issues:

- No custodial or grounds maintenance staff have been shown.
- A family annual pass has been added to the fee schedule.
- No sponsorship or advertising income has been shown.



Phase III –

Description: In addition to the Phase I and II improvements, Phase III includes the following elements which will have an impact on operations.

- New 6 lane by 25 yard lap pool with a drop slide.
- Additional spectator seating and shade at the 50 meter pool.
- A timing system and scoreboard is added.
- Additional shade structures.

Parameters:

- The pool will continue to be operated by the Town.
- The improvements will not be completed until 2012 or later.
- These improvements are in addition to those noted in Phase I and II.
- The 6 lane by 25 yard pool will be open year round to support competitive swimming and swim meets.
- The hours of operation will remain the same as outlined in Phase II. Summer- 6:00am-9:00pm weekdays and Saturdays and noon to 9:00pm on Sundays. May and September - 6:00am – 11:00am and 4:00pm – 9:00pm weekdays; 6:00am - 9:00pm Saturdays and noon to 9:00pm on Sundays. For winter the hours will be, 6:00am – 11:00am and 4:00pm – 9:00pm weekdays; 6:00am - 5:00pm Saturdays and closed on Sundays.
- Program and service impact
 - No increase in user fees.
 - There will be a small increase in the number of users (from the 6 lane pool)
 - Small increase in swim lessons
 - Small increase in lane rentals (6 lane pool).
 - There will be 3-4 regional swim meets hosted by the pool.

Operational Impact:

Fees: With the addition of the 6 lane pool, it is not anticipated that there will be any fee increase as there is no real added value from a user perspective.

OPERATIONS & ECONOMIC IMPACT

Oro Valley Municipal Pool



Expenses:

Category:	Amount
Personnel	
Lifeguard (Lap Pool)	
May & Sept. (\$10/hr. x 74hrs x 8wk x 2)	\$11,840
Summer (\$10/hr. x 99hrs x 14wk x 2 guards)	\$27,720
Winter (\$10/hr. x 61hrs x 28wk x 2 guards)	\$34,160
Concession Supervisor \$12/hr. (swim meets)	\$1,440
Concession Cashier \$10/hr. (swim meets)	\$1,200
Swim Instructor (\$10/hr. x 5hrs x 10 wks/yr.)	\$500
Benefits (10%)	\$7,686
Sub-total	\$84,546
Operating Supplies (chemicals, janitorial, etc.)	\$34,000
Utilities (pool mechanical, water, lighting, etc.)	\$77,500
Other (capital replacement)	\$1,000
Total	\$197,046

Revenues:

Category:	Amount
Admission Revenue	
Daily Admissions	\$23,986
3 Month Passes	\$839
Annual Passes	\$3,671
Program Revenue	\$1,000
Concessions (gross revenues)	\$15,000
Rentals (Lap pool)	
Swim Team \$4.5/ln 4/ln x 2hr x 5/days/30wk	\$5,400
Swim Meets \$500/Day x 12 Days	\$6,000
Rentals (50 meter)	
Swim Meets \$1,000/Day x 12 Days	\$12,000
Sponsorship/Advertising	\$10,000
Other (vending, etc.)	\$2,000
Total	\$79,896

OPERATIONS & ECONOMIC IMPACT

Oro Valley Municipal Pool



Expense/Revenue Differential

Category:	Amount
Expenses	\$197,046
Revenues	\$79,896
Difference	-\$117,150

Expense/Revenue 3 Year Model

Category:	Year 1	Year 2	Year 3
Expenses	\$197,046	\$202,957	\$209,046
Revenues	\$79,896	\$83,891	\$88,085
Difference	-\$117,150	-\$119,066	-\$120,961

Other Operational Issues:

- No custodial or grounds maintenance staff have been shown.
- Concessions for all swim meets will be provided by the pool staff.
- Limited sponsorship and advertising income has been shown.
- All new swim meets will be organized and operated by the swim teams, local groups and organizations.

Three Phase Total

The following table summarizes the operational impact of all three phases.

Category:	Phase I	Phase II	Phase III	Total
Expenses	\$36,624	\$243,664	\$197,046	\$477,334
Revenues	\$49,919	\$252,635	\$79,896	\$382,450
Difference	+\$13,295	+\$8,971	-\$117,150	-\$94,884

OPERATIONS & ECONOMIC IMPACT

Oro Valley Municipal Pool



Economic Impact: The following is a brief assessment of the possible economic impact of each of the three phases of improvements to the Oro Valley Municipal Pool. These calculations do not note where in the area the economic impact is being shown (Town of Oro Valley or other communities). This is only a rudimentary assessment based on very basic project assumptions and includes only new uses and activities. As a result these preliminary economic impact numbers are conservative. It should also be noted that no overall multiplier was applied to the base economic numbers.

Phase I

Operations – Direct Impact

Category:	Amount
Personnel	\$5,990
Operating Supplies	\$7,000
Other	\$1,000
Total	\$13,990

Indirect

Category:	Amount
New Users – 16,000 x \$5/visit	\$80,000
New Program Part. - 30 x 10/visits x \$5/visit	\$1,500
Rentals – 4/4 lane x 5 days x 40 wks x \$5/visit	\$16,000
Total	\$97,500

Events:

Category:	Amount
Swim Meets – No New	\$0
Other	\$0
Total	\$0

Totals

Category:	Amount
Operations	\$13,990
Indirect	\$97,500
Events	\$0
Total	\$111,490

OPERATIONS & ECONOMIC IMPACT

Oro Valley Municipal Pool



It should be noted that if a multiplier of 4 were used to determine how many times a dollar would turn over in the area the total would be \$445,960.

Phase II

Operations – Direct Impact

Category:	Amount
Personnel	\$124,240
Operating Supplies	\$53,000
Other	\$3,000
Total	\$180,240

Indirect

Category:	Amount
New Users – 34,700 x \$5/visit	\$173,500
New Program Part. – 3,840/visits x \$5/visit	\$19,200
Rentals – 500/visits x \$5/visit	\$2,500
Total	\$195,200

Events:

Category:	Amount
Swim Meets – No New	\$0
Other	\$0
Total	\$0

Totals

Category:	Amount
Operations	\$180,240
Indirect	\$195,200
Events	\$0
Total	\$375,440

It should be noted that if a multiplier of 4 were used to determine how many times a dollar would turn over in the area the total would be \$1,501,760.

OPERATIONS & ECONOMIC IMPACT

Oro Valley Municipal Pool



Phase III

Operations – Direct Impact

Category:	Amount
Personnel	\$76,360
Operating Supplies	\$34,000
Other	\$1,000
Total	\$111,360

Indirect

Category:	Amount
New Users – 11,000 x \$5/visit	\$55,000
New Program Part. – 30 x 10/visits x \$5/visit	\$1,500
Rentals – 500/visits x \$5/visit	\$2,500
Total	\$59,000

Events:

Category:	Amount
Swim Meets	
Age Group Championship - 800 swimmers	
700 swim/4 family x 3/days x \$100/day	\$840,000
100 swim/4 family x 3/days x \$35/day	\$42,000
Sectional Meet – 600 swimmers	
550 swim/4 family x 4/days x \$100/day	\$880,000
50 swim/4 family x 4/days x \$35/day	\$28,000
Regional Masters – 500 swimmers	
375 swim/2 family x 2/days x \$100/day	\$150,000
125 swim/2 family x 2/days x \$35/day	\$17,500
Sub-total	\$1,957,500
Other	
Age Group Water Polo – 15 teams/225 part.	
210 swim/4 family x 3/days x \$100/day	\$252,000
15 swim/4 family x 3/days x \$35/day	\$6,300
Sub-total	\$258,300
Total	\$2,215,800

OPERATIONS & ECONOMIC IMPACT

Oro Valley Municipal Pool



Note: \$100 a day includes an overnight stay and the amount is from the Tucson Convention and Visitors Bureau. The \$35 a day is an estimate of the amount spend per day for locals and does not include an overnight stay.

Totals

Category:	Amount
Operations	\$111,360
Indirect	\$59,000
Events	\$2,215,800
Total	\$2,386,160

It should be noted that if a multiplier of 4 were used to determine how many times a dollar would turn over in the area the total would be \$9,544,640.

Three Phase Total

The following table summarizes the economic impact of all three phases.

Category:	Phase I	Phase II	Phase III	Total
Operations	\$13,990	\$180,240	\$111,360	\$305,590
Indirect	\$97,500	\$195,200	\$59,000	\$351,700
Events	\$0	\$0	\$2,215,800	\$2,215,800
Total	\$111,490	\$375,440	\$2,386,160	\$2,873,090

If a multiplier of 4 were used to determine how many times a dollar would turn over in the area the total would be \$11,492,360.



Section VIII – Project Funding Options

One of the major challenges for the Town of Oro Valley is determining a method for funding the capital development costs as well as the possible increased annual operating requirements of an expanded and renovated Oro Valley Municipal Pool. It is clear that a number of different funding sources may need to be utilized for this to become a reality. These could include:

Capital Funding:

Partnerships – The possibility of including an equity (primary) partner in the project should be explored but at this point one has not been identified. If an equity partner is found, a more detailed partnership assessment will be necessary to determine a realistic level of financial support. Possible partnerships could come from the private sector, through local non-profits, and with other governmental entities in the area (see below).

IGA – Establishing an intergovernmental agreement with the school district and or the county to help fund capital improvements to the pool should be strongly pursued. However, the poor financial condition of the school district may preclude this as a viable option.

Fundraising – A possible source of capital funding could come from a comprehensive fundraising campaign in the town and surrounding area. Contributions from local businesses, private individuals and social service organizations could be targeted. To maximize this form of funding a private fundraising consultant may be necessary.

Grants/endowments – There are a number of grants and/or endowments that are available for parks and recreation projects. It is more difficult to fund active recreation facilities than parks and open space from these sources, but an effort should be made to acquire funding from these sources. Key areas that should be targeted for grants are serving youth, teens, seniors and families. USA Swimming also has a grant program for competitive pools but the dollar amount is usually relatively small. Within the community is also the Oro Valley Community Foundation which could be an additional source of grant funding for the project.

LWCF - It also may be possible to receive funding through the federal Land and Water Conservation Fund but there are a number of restrictions and mandates associated with these grants that may limit its use for this purpose.

Naming Rights and Sponsorships – Although not nearly as lucrative as for large stadiums and other similar facilities, the sale of naming rights and long term sponsorships could be a source of some capital funding as well. It will be necessary to hire a specialist in selling naming rights and sponsorships if this revenue source is to be maximized to its fullest potential. No lifetime naming rights should be sold only 20 year maximum rights should be possible. Determining the

PROJECT FUNDING OPTIONS

Oro Valley Municipal Pool



level of financial contribution necessary to gain a naming right will be crucial. This could mean a contribution for up to 25% of the total cost of an entire project for overall facility naming rights or 50% to 100% for individual pools or spaces within the facility itself.

Even when all of the potential funding sources noted above are combined, they will at best generate a funding level of 50% for a project. It is clear that the primary source of funding will have to come from tax dollars. As a result several possible tax options should be explored.

Town of Oro Valley – It is likely that the Town is going to be the primary funding agent for the pool improvements, several options to acquire the necessary tax dollars for a project may need to be evaluated.

General Tax Dollars – The utilization of any existing non allocated tax dollars for a project. It is projected that there will be limited to no dollars available from this source.

Capital Improvement Fund – It is possible that some existing CIP revenues might be able to be redirected to this project. It is not expected that this will be a larger source of capital funding.

Lodging (Bed) Tax – The Town’s lodging tax could be redirected toward improvements to the pool. There is a sizeable fund balance currently in place and there are annual revenues of approximately \$900,000 being generated.

Impact Fees – These are dedicated fees for the development of parks and recreation facilities that are produced from the construction of new housing in the town.

Bond Measure – Another form of funding for the project could come from a voter passed tax initiative to back the sale of bonds.

Operations Funding: In order for the Town to operate the full phased pool, an additional level of operational funding will also be necessary. This could include.

Partnerships – If an equity partner is found for the project, then it should be expected that the cost of operating or maintaining these amenities will also be shared with the other partner. A more detailed partnership assessment will be necessary to determine a realistic level of financial support. The swim teams that utilize the facility should also be expected to participate at a higher rate of funding.

Sponsorships – The establishment of sponsorships for different programs and services as well as funding for different aspects of a facility’s operation is possible. But in most cases this provides a relatively low revenue stream for funding day to day operating costs for an aquatic center.

PROJECT FUNDING OPTIONS

Oro Valley Municipal Pool



Grants – There are grants that are available for programs and services that serve the disadvantaged, youth, teens and seniors. It may be possible to acquire limited funding for specific programs from this source.

Endowment Fund – This would require additional fundraising to establish an operational endowment fund that would be designed to fund capital replacement and improvements at the pool. It is often difficult to raise funds for operational endowments and the level of funding required is very high.

Contract Operation – The Town could contract with an outside organization for the day to day operation of the pool. This could be done through an organization such as the YMCA, Ellis & Associates or maybe even one of the local USA Swimming Teams. However it should be realized that while a contract operator may be able to manage the pool in a more cost effective manner, a sizeable annual operations payment from the Town will likely still be required.

Town of Oro Valley – It should be expected that the Town will continue to be the primary operations funder for the pool.

General Tax Dollars – The utilization of any existing non allocated tax dollars for operations. This will not likely result in any significant funding for facility operations.

Tax Increase – To fund significant increases in operational costs it is possible that the Town will need to have a tax increase.

Foundation: It is highly recommended that a Town controlled 501(c)3 foundation be established for the pool (and other parks and recreation facilities). This will provide a way to collect a variety of fundraising dollars as well as equity partner payments for both capital and operations. This may also make projects eligible for a broader range of grant dollars as well.

Possible Funding Scenario: The following chart shows possible sources of pool funding.

Capital

Source	Percent of Total
Partnerships	5%-25%
Fundraising	5%-10%
Grants/Endowments	5%-10%
Naming Rights	5%-25%
Town of Oro Valley	30%-80%

PROJECT FUNDING OPTIONS

Oro Valley Municipal Pool



Ultimately the key to alternative funding will probably be through partnerships or the possible sale of naming rights.

Operations

Source	Percent of Total
Partnerships	5%-10%
Sponsorships	10%-15%
Grants	2%-5%
Endowment Fund	0%
Town of Oro Valley	70%-83%

Section IX – Next Steps

Within this report three possible phasing options for the renovation and expansion of the Oro Valley Municipal Pool have been explored. Among these phases there is a great deal of difference not only in the level of improvements for the facility but in the market focus as well. Ultimately the Town of Oro Valley will need to determine what role, if any, the Town will want to have in the renovation of the pool.

Key steps in this process include:

- Accept the Oro Valley Municipal Pool Study.
- Determine the direction and priorities for renovation and expansion of the pool. This includes:
 - A commitment to making at least functional improvements to the pool itself.
 - A determination that the existing site is the long term location for the pool.
 - That both the recreational and competitive aquatic needs of the community need to be addressed.
 - The pool will continue to serve both Oro Valley residents as well as the surrounding area.
- Adopt a development and/or phasing plan for the pool that meets the Town’s needs and financial abilities.
 - Identify any potential equity partners for the project.
 - Establish a development/operations agreement with any equity partners.
 - Determine a phasing plan.
- Identify a formal funding source(s) for the capital improvements (and possibly the operational requirements) for the project.
 - Town tax sources
 - Partner contributions
 - Alternative forms of funding
- Contract for design services for the pool improvements and expansion.
- Contract for the construction of pool improvements and expansion.
- A new improved aquatics facility is available to the residents of Oro Valley.

Possible Project Schedule:

Task	Timeline
Pool study accepted	1 - 2 months
Project direction and priorities are established	3 - 6 months
Development/phasing plan is adopted	6 – 9 months
Funding plan is established	
Project design services	3 – 4 months
Project construction (first phase)	3 – 9 months
New improved aquatics facility (total time)	16 – 30 months

Section X – Appendix

The following is a more detailed assessment of the physical condition of the Oro Valley Municipal Pool.

Introduction:

Ken Ballard of Ballard*King & Associates and Doug Whiteaker of WTI visited the Oro Valley Outdoor Swimming Pool on several occasions during the winter of 2010, for the purpose of visually examining the pools.

The following report has been prepared for the Oro Valley Outdoor Municipal Swimming Pool based upon these observations, and discussion of the following:

- Observations of the Existing Facility Locations
 - Pool Evaluation
 - Pool Equipment Evaluation

- Suggestions for Upgrading the Existing Pools
 - Building Code
 - New 2010 Americans with Disabilities Act Guidelines
 - Improvements for Quality of Use
 - Pima County Health Code

Facility Evaluation:

The intent of this facility evaluation is to determine the present condition of the Oro Valley Municipal Swimming Pool located in James D. Kriegh Park (hereinafter Facility). The investigation included visual examination of the changing area structure, pools in a filled and operating condition, gutter system, exposed piping, filters, chemical feed and control systems and deck equipment. In addition, Catherine Atalla, operational staff and lifeguard staff were interviewed regarding the facility's performance and specific areas of concern.

Facts:

The Oro Valley Municipal Swimming Pool has been a fixture and recreation centerpiece in the Oro Valley Community since it opened in the early 1970's. The facility has two (2) pools – a shallow wading pool (referred to as the wading pool), a rectilinear 50 meter by 25 yard swimming pool (main pool). There is one (1) building containing the entrance, changing facilities and the pool mechanical room. The main pool is rectangular, approximately 12,400 square feet with a water volume of approximately 520,000 gallons. Water depth in the main pool

ranges from 3 feet 6 inches to 5 feet at the intersection of the deep well. The deep well depths range from 5 feet to 12 feet.

The seasonally operated non-heated wading pool is a rectangle located at the west side of the facility and adjacent to the shallow area of the main pool the rectangle is 16 feet by 40 feet with approximately 400 square feet and water depths ranging from 12 inches to 36 inches.

The facility 50 meter pool is operated year round with the tot pool operating seasonally.

The following is a table of reported milestones in the swimming pool additions and renovations:

Event	Timelines
Pool and Changing Facility Constructed	1972
Facility Opens	1973
Oro Valley Operates Pool	1995
New Filtration System	2001
Bath House Renovation	2001
Pool Surface Re-plastered	2001
Pool Deck Repair	2007
Sanitation System Modified to Pulsar	2009
Ramada Addition and Solar	2011

General Observations:

The general condition of the facility is exceptional for a facility reaching 40 years of service. Pool structures appear generally sound. There are some areas where spalling concrete at the deck is evident and where the applied surface coating needs to be recoated. The park like site is accessible to the community users and is certainly upgradeable for extended life for continued recreational, programmatic and competition use. Specific areas of concern are the entrance building changing facilities, wading area, shade availability, mechanical systems, deck surface and the potential for expanded programming with additional pools with the increase need for parking.

Pool Evaluation:

Introduction

The investigation of the pools included examination of the pool deck, structure, gutter system, exposed piping, pumps, filters, chemical control and feed systems.

For clarity of this report, each pool and its adjacent deck area will be discussed sequentially, in total. The pool mechanical systems will be discussed in combination after the pool discussions.

Observations:

Main Pool Decking and Fencing

The main pool is a rectangular shaped pool, the pool is approximately 12,400 sf pool, and is used for competition, lap swimming, training and recreational swimming. The facility's perimeter fencing is generally in good condition. A concrete deck and mature landscape areas surround the main pool. The deck generally appears to be sloping away from the pool but does not drain properly which could be an issue with extreme usage and causing higher organic loading of the pool. The deck area between the main pool and the tot pool slope to the area where the separation fence is located and the pools insulation cover reels are stored. This area also has minimal deck drainage and collects runoff water. The pool deck is in generally good condition and exhibits minimal cracking or subsidence. The deck coating that was applied to the surface of the deck is in poor condition and needs to be removed and replaced. The pool fence is attached to the concrete pool deck which does not provide any expanded capacity of pool users or the ability to decrease density.

There are six raised lifeguard's chairs for guarding the pool. The deck is used to store the pool cover reels and wave quelling lane line spools which consume a significant amount of the usable deck space.

Main Pool Structure and Gutter System

The competition lap pool is rectangular in shape, 12,400 square foot pool, with depths ranging from 3 feet 6 inches to 12 feet. It contains 520,000 gallons of water. The main pool's operation can generally be described as following:

Water from the filtration system is returned to the main pool through inlets spaced in the floor of the pool. Water flows into the perimeter gutter with trough mounted scuppers and main drain sumps with over sized grating located in the floor where it then flows by gravity to a balance tank. There are two self priming pumps that draws water from the balance tank and then sends it through the piping to the horizontal sand filters located in the pool mechanical room. Once water is filtered the water is heated, sanitized and returned to the both the main pool. The tot pool has its own filtration system similar but of a smaller scale to the main pool. The tot pool additionally utilizes surface instead of a trough gutter system.

The pool structures appear to be shotcrete concrete with minimal construction joints, which is traditional for a pool constructed in the early 1970's. The main pool has a concrete gutter trough

that is tiled. The pool's water level and deck level provide a 5 to 6 inch freeboard. The pool appears to be approximately level. The main pool's finish is a plaster finish with ceramic tile at the water line, surrounding the inlets and contrasting color tile on both sets of shallow water recessed stairs.

- There are minor cracks and spalling in the concrete gutter and pool surfaces which will accelerate the structural degradation if not addressed.
- The pool gutter should be removed and a new high capacity gutter be installed to provide better gutter capacity and wave quelling.
- The concrete shell is in good condition. Minor cracking, spaulding or surface checks were observed. These should be properly removed and replaced.
- The main pool has greater than 300 linear feet of perimeter and is therefore required to have two accessible means of entry.
- The pool is reportedly to have minimal use for recreation. The water depths and lack of amenities do not appeal to young users and their parents. The water depths are excellent for swim training and recreational usage but are on the shallow side for competitive swim use.
- Pool depth markings were observed on the deck which should be located at approximately 25 foot intervals. These marking also include no diving markings in the no diving areas of the pool and all marking needs be placed on the horizontal surface of the pool walls.

Wading Pool

The tot pool is a shallow pool, 12 inches to 36 inches in depth and is used primarily by toddlers with parents. The wading pool is separated from the main pool by a fence. The wading pool is level with the surrounding concrete deck. Approximately (1/4) of the perimeter deck around the tot pool drains to the site and the balance drains to the concrete deck that runs between the two pools. The perimeter deck is concrete and is in good condition, exhibiting limited signs of cracking or differential settlement. The deck surfacing needs to be replace to prevent slips and fall together with improved deck drainage.

There are is a very functional shade structure that covers the entire wading pool.

Wading Pool Structure and Skimmer System

The wading pool is a rectangular shaped, 640 square foot pool, with depths ranging from 12 inches to 36 inches. It contains less than 10,000 gallons of water. The wading pool's filtration is separate from the main pool's filtration. The tot's pool's operation can generally be described as following:

Water from the filters is returned to the training pool through floor inlets in the pool. Water flows into the two (2) skimmers and two (2) main drains where it flows by suction to the filtration system. The wading pool is a shotcrete concrete shell. The pool has skimmers within the concrete perimeter edge. The pool's water level and deck level provide a 6 inch freeboard. The wading pools finish is plaster.

- The wading pool does not have the level of entertainment attractions that are expected by today's facilities users. It is recommended to add interactive features or change the wading pool to an exciting and popular water spray ground.
- The wading pool is not heated.
- The wading pool has less than 300 linear feet of perimeter and by ADA guidelines required providing one accessible means of entry.

Pool Mechanical:

General

The facility's pool mechanical systems are in a pool mechanical room located on the south side of the changing rooms. The room is easily expandable, but additional space could be captured outside. This mechanical room is well lighted mostly through the combination of natural and overhead and adequately ventilated. There are two filtration systems, for the main pool and for the tot pool. The filtration system is a pressure high rate sand system. The pool filter is located indoors. All of this equipment is of recent vintage and is fully functional and readily repairable at this time.

Exposed Piping and Mechanical

The pools operate on a high rate sand filtration system. Filtered water is supplied to the main pool and tot pool by different systems, removed through the gutters and main drains then flows by gravity to the collection tank where it is drawn by pump and sent to the filtration system. The collection tank was not observed during this review. The exposed piping is PVC. There is one main return line for filtered water to the main pool. This system functions with its own flow meter and chlorinator.

- The PVC piping is adequately supported. Supports are mainly from the floor surfaces and major equipment pieces, making replacement of specific pipe sections problematic.
- The main pool has four (4) high rate sand filters are manufactured by Nemato and marketed by US Filter. The filter backwash is a semi automatic system and has a service life of 20 to 30 years.
- Operator indicates the filters are backwashed several times per week.
- The filtration pumps are Sta Rite, Model C, CCSPH2N3 with motors rated at 20 HP. One of the pumps over heats and this is typically a sign of electrical issues or the balance of the fan motor.
- The pool heaters are Raypak with rated at 2,500,000 input each.
- The water analyzer is a System 5 by Strantrol.
- The chlorination system is provided by two (2) Pulsar System 4.
- The Ph adjustment is provided by muriatic acid and CO2.
- The mechanical room layout is not conducive to easy servicing of equipment and could be better laid out for operator efficiencies.
- The backwash line between the floor sump indoors and the backwash holding tank is insufficient for discharge volume.

Chemical Feed and Control Systems

The sanitation systems appear to use a basic type of chlorination system with a calcium hypochlorite chlorine feeder for the pools. The pH is controlled by CO2 as a base and supplemented by muriatic acid. There is a separate chemical storage room. Needs additional chemical safety equipment.

Heaters

The pool has dual heaters that seem to be functioning properly and within design perimeters, however temperature is difficult to control.

Design and Industry Standards:

Introduction

The intent of this section is to compare the design of the existing facility listed under observations to the current “Design Standards” set forth by the swimming and recreation pool industry.

The design and configuration of competition and recreational swimming pools has changed dramatically over the years, the Oro Valley Municipal Pool facility is a good example of the past type of features community multipurpose pools used to be designed. Today’s community aquatic facilities usually incorporate a shallow water area for smaller children to enjoy. A competition pool like the one in Oro Valley would still be a component of the design; however the majority of recreation pools that are being designed today are multi-tasked leisure pools. These pools offer zero depth entries, interactive play features, playful water sprays and orientations that provide for family togetherness in a safe environment.

Pool ADA

Due to its size, the Oro Valley main outdoor swimming pool requires two (2) points of handicapped access to meet the proposed New 2010 ADA guidelines. This could be accomplished through the addition of a portable hydraulic lift.

Pool Structure and Skimming System

The perimeter gutter system at the Oro Valley swimming pool is outdated and not used in design of contemporary swimming pools. Concrete is by far the most used material for the structure of commercial swimming pools. Today’s pool finish standards lean toward ceramic tile and/or an exposed aggregate finish. Advancements in exposed aggregate finishes have proven to provide a durable non-slip surface for swimming pools. The existing gutter system is allowed for a pool the size of the Oro Valley pool. The gutter weir edge should be redesigned to increase flow capacity and reduce surface turbulence. There are options available for different gutter edges if so desired. A lot of pools are designed with a tiled gutter edge with a PVC grating that covers the gutter; there are also PVC gutter edges available that also use a PVC grating over the gutter. Regardless of the type of system edge used, the edge needs to be installed within the guidelines of the Pima County Health Codes.

Decks and Deck Equipment

There are a lot of different things that are being incorporated on the decks around swimming pools. Seating benches and lounge chairs can be provided for patrons that are out of the water some of the time while at the pool. The main items that should be considered are to have the decks drain away from the pool and capture the splash out water. The decks need to be reconfigured for deck drainage and the entire deck surfacing needs to be removed and a new

durable slip resistant finish needs to be installed. It would be beneficial to provide more gracious area and provide additional hardscape seating zones.

Entrance Building

The largest concern for the continued operation of the Oro Valley Municipal pool is the functional operation of the entrance building. This building is comprised of the entrance fee collection, administration/life guard activities, changing/rest rooms, mechanical equipment room and a multipurpose cantina. In discussions with staff and pool user groups the most frequently requested service need is for seasonally conditioned larger changing and rest room facilities. This could be accomplished in a variety of phasing approaches from repurposing and expansion to new construction in a more appropriate area.



Town Council Regular Session

Item # 4.

Meeting Date: 04/06/2011

Requested by: Stacey Lemos

Submitted By:

Stacey Lemos, Finance

Department: Finance

SUBJECT:

DISCUSSION AND POSSIBLE ACTION REGARDING A VOLUNTARY RETIREMENT PLAN OFFERING TO ELIGIBLE TOWN EMPLOYEES

RECOMMENDATION:

Staff will present information regarding a voluntary retirement package that would be offered to eligible employees who are members of the Arizona State Retirement System. This is recommended due to the severity of our continuing revenue shortfalls as one way to allow us to build more fiscal capacity in upcoming budgets. More information will follow this communication.

EXECUTIVE SUMMARY:

Additional information will be delivered the week of March 28, 2011.

BACKGROUND OR DETAILED INFORMATION:

N/A

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

N/A



Town Council Regular Session

Item # 5.

Meeting Date: 04/06/2011

Submitted By: Kevin Burke, Town Manager's Office

Department: Town Manager's Office

SUBJECT:

DISCUSSION AND POSSIBLE ACTION BY THE TOWN COUNCIL AUTHORIZING A COUNCILMEMBER LIAISON TO BE PRESENT AT MEETINGS AND INFORMED OF COMMUNICATIONS OR DISCUSSIONS REGARDING NEGOTIATIONS OVER THE MEMORANDUM OF UNDERSTANDING BETWEEN THE TOWN AND PUBLIC SAFETY EMPLOYEES

RECOMMENDATION:

N/A

EXECUTIVE SUMMARY:

At the February 23, 2011 Town Council Study Session the Council directed Staff to bring forward a policy for discussion and possible action, where Council may appoint a member of the Council to be present at and informed of communications, discussions or meetings regarding negotiations over the Memorandum of Understanding between the Town and public safety employees. Council asked that any existing policies, directives, resolutions or codes to the contrary be brought forward for discussion and possible action.

BACKGROUND OR DETAILED INFORMATION:

Oro Valley Town Code, Section 4-1-8, governs Public Safety Employee Relations and Processes (see attached). The Town currently has no policy restricting Town Council participation in the public safety employee relations process. Previously, Ordinance No. (O) 99-34, Section 4-1-8(C), provided that the "Town Council may designate an individual councilmember to act as Liaison to the F.O.P...." It also "emphasized that the role of the Liaison is that of a facilitator to enhance the communication process with the F.O.P.". This Ordinance was later repealed.

As has been noted, the Councils of past have appointed a liaison to perform in the capacity described herein, although it is not common practice. Such an appointment may be made with, or without, new policies or code amendments.

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

N/A

Attachments

Town Code Article 4-1

Ordinance No. (O) 99-34

Article 4-1 Police Department

4-1-8 Public Safety Employee Relations and Processes

A. Preamble

The citizens of Oro Valley have a fundamental interest in the development of harmonious and cooperative relations between Management, Elected Officials, Administrators and public safety employees of the Town.

Public safety employees have the right to join employee associations which comply with the laws of Arizona and to present proposals and testimony to the Town Council, and not to be discharged, disciplined or discriminated against because of the exercise of those rights.

The Town of Oro Valley, its public safety employees and employee associations have a basic obligation to the public to assure the orderly and continuous operations and functions of government.

Strikes, work stoppages, slowdowns, and other concerted efforts designed to disrupt Town of Oro Valley services, are contrary to the public good and are strictly prohibited.

B. Purpose

It is the purpose of this Section to obligate the Town management, public safety employees and their representatives, acting within the framework of law, to enter into discussions with an affirmative willingness to communicate and resolve issues that significantly impact working conditions. It is also the purpose of this Section to promote harmonious employer - employee relations by providing a uniform basis for recognizing the right of public safety employees to join, or to refrain from joining, an association of their own choice. Also, it is their right to be represented by such association(s) in their dealings with the Town in accordance with the provisions of this Section. Additionally, this Section provides that the results of agreements between the employer and its public safety employees shall be drafted into written Memorandums of Understanding.

C. Public Safety Employee Group

The employees eligible to participate in determining annual representation, in accordance with Part D below, include: Police Officers with the rank of Sergeant and below who are not in the academy, in field training or on reserve status as of August 1st of each year; and non-exempt civilian employees assigned to, supervised by or otherwise under the control of the Police Department.

D. Representation

Employee associations wishing to represent public safety employees shall submit a memorandum to the Town Manager by August 1st of each year, indicating their desire to represent the public safety employee group.

In the event that only one employee association seeks to represent the public safety employee group, the Town Manager shall designate that employee association as the official organization for representation purposes provided for by this Section.

In the event there is more than one employee association seeking to represent the public safety employee group, authorized representation for the group shall be determined by the presentation of a petition to the Town Manager containing the signatures of at least fifty percent (50%) plus one (1) of the employees in the public safety employee group by September 1st. The petition shall identify the employee association designated to represent those employees. Upon verification of the signatures by the Town Clerk and Human Resources Department, the Town Manager shall designate the named employee association as the official organization for representation purposes provided for by this Section.

After the representative Association is designated, the public safety employee group shall designate a Public Safety Negotiation Committee ("PSNC") comprised of four (4) members of the public safety employee group.

E. Meeting and Conferring

By October 1st, the Town Manager or his/her designee shall notify the Association and the PSNC of the selection and names of the Management Negotiation Committee ("MNC") members. The PSNC shall submit proposals relating to wages, benefits, hours, safety regulations and other working conditions by November 30th of each year to the Town Manager or his/her designee.

Upon receiving a proposal from the PSNC, the Town Manager or his/her designee shall submit a written response to the proposal within a reasonable time thereafter which shall be not more than forty-five (45) days after the receipt of the proposal.

Within thirty (30) days from the receipt of the Town Manager's response, the PSNC and the MNC shall begin "meeting and conferring" at mutually agreed upon locations and times, for the purpose of entering into a written Memorandum of Understanding. The process shall be conducted in good faith by both parties. Meetings shall take place until an agreement is reached, or impasse is declared. Time spent by the PSNC in meet and confer-related meetings shall be regular duty hours. Regular duty hours time spent in non-negotiation meet and confer-related meetings shall be reasonable and require prior approval by Police Department Command Staff.

Any final agreement reached by the MNC and the PSNC shall be in writing and signed by authorized persons. Those areas not agreed to shall be outlined as matters in dispute.

Not later than April 15th, all areas of agreement, as well as those matters in dispute shall be brought forward at the next practical Town Council meeting. With due consideration of all matters, the Town Council may accept, reject, or modify those areas of agreement. The Town Council may also take whatever actions they feel appropriate with regard to those matters in dispute. Final action by the Town Council shall constitute the Memorandum of Understanding for the following fiscal year only.

All time limits in this Section may be waived by mutual agreement of the MNC and the PSNC.

F. Conflict with Arizona State Law

In the event that any provision of this Section is in conflict with Arizona state law, including the Arizona Constitution, statutes, or court decisions, then to the extent of the conflict Arizona state law shall prevail over this Section. Any such conflict shall not impair the validity of all other provisions herein not in conflict with Arizona state law.

ORDINANCE NO (O) 99-34_____

AN ORDINANCE OF THE TOWN OF ORO VALLEY AUTHORIZING THE ADDITION OF SECTION 4-1-8 OF THE TOWN CODE OF THE TOWN OF ORO VALLEY, PROVIDING FOR A MECHANISM TO IMPROVE COMMUNICATIONS WITH MEMBERS OF THE ORO VALLEY POLICE DEPARTMENT BY ESTABLISHING A PROCESS FOR THE DISCUSSION OF PAY, BENEFITS, AND WORKING CONDITIONS.

WHEREAS, the Town of Oro Valley is committed to the development and continuation of harmonious and cooperative relationships with all of its employees; and

WHEREAS, the Town recognizes that the commissioned officers with a rank of Sergeant and below are represented by the Fraternal Order of Police (hereinafter the F.O.P.); and

WHEREAS, the continued smooth operation of the Oro Valley Police Department is of great benefit to the citizens of Oro Valley and the general public; and

WHEREAS, the Town Council believes that the following ordinance will be in furtherance of the general public's health, safety and welfare by providing for a mechanism to improve communications with the F.O.P., and thus allowing them to propose changes or make recommendations regarding pay, benefits, and/or working conditions;

NOW THEREFORE, the Mayor and Council of the Town of Oro Valley hereby ordain as follows:

Section 1 – The attached document entitled “Exhibit A” creating Town Code Section 4-1-8 is adopted in its entirety.

Section 2 - Any and all ordinances, provisions of the Town Code, or otherwise in conflict with the provisions of this ordinance are hereby repealed.

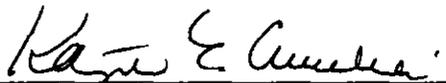
Section 3 – If any subsection, section, sentence, clause, phrase or portion of this ordinance or any part of the code adopted herein by reference is for any reason held to be invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

Passed and adopted by the Mayor and Council of the Town of Oro Valley this 21st
day of April, 1999.



Mayor Paul H. Loomis

ATTEST:



Kathryn Cuvelier, Town Clerk

APPROVED AS TO FORM:



Dan L. Dudley, Town Attorney

PUBLISH: Daily Territorial
May 6, 7, 10, 11, 1999

POSTED: May 3 - June 2, 1999
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EXHIBIT "A"

4-1-8 Council/Police relations and processes

- (A) The Town Council recognizes the Fraternal Order of Police (hereinafter the F.O.P.) Lodge #53 as the non-exclusive representatives of commissioned Oro Valley officers with a rank of Sergeant or lower.
- (B) The Town Council will make arrangements to meet annually with representatives of the F.O.P. to review recommended or proposed changes to compensation plans, benefits plans, or other issues which significantly affect working conditions. To provide for subsequent budget actions, if required, such meetings should be concluded no later than February 15 of the fiscal year.
- (C) To provide for action as defined in section B, above, the Town Council may designate an individual councilmember to act as Liaison to the F.O.P. to meet pursuant to a schedule which is mutually agreed upon by the Liaison and the F.O.P. to discuss issues as identified in Section B. It must be emphasized that the role of the Liaison is that of a facilitator to enhance the communication process with the F.O.P. In addition, in their role as Liaison, an individual councilmember is not acting as a decision-maker or negotiator.
- (D) Should the F.O.P. disagree about a specific course of action, items of discussion may be brought forward for public hearing at a future Council meeting. Issues of this nature shall be placed on an agenda within the timeframe of the next three (3) regularly scheduled Council Meetings.
- (E) No member of the F.O.P will be subjected to any reprisals, threats or disciplinary action as the result of their participation in these meetings with the Liaison, or the Town Council.