

# City of Glendale Council Workshop & Executive Session Agenda

**February 5, 2013 – 1:30 p.m.**

Workshop meetings are telecast live at 1:30 p.m. on the first and third Tuesday of the month. Repeat broadcasts are telecast the first and third week of the month – Wednesday at 3:00 p.m., Thursday at 1:00 p.m., Friday at 8:30 a.m., Saturday at 2:00 p.m., Sunday at 9:00 a.m. and Monday at 2:00 p.m. on Glendale Channel 11.

## Welcome!

We are glad you have chosen to attend this City Council workshop. We hope you enjoy listening to this informative discussion. At these “study” sessions, the Council has the opportunity to review and discuss important issues, staff projects and future Council meeting agenda items. Staff is present to answer Council questions.

## Form of Government

Glendale follows a Council-Manager form of government. Legislative policy is set by the elected City Council and administered by the Council-appointed City Manager.

The City Council consists of a Mayor and six Councilmembers. The Mayor is elected every four years by voters city-wide. Councilmembers hold four-year terms with three seats decided every two years. Each of the six Councilmembers represent one of the six electoral districts and are elected by the voters of their respective districts (see map on back).

## Workshop Schedule

Council workshops are held on the first and third Tuesday of each month at 1:30 p.m. in the Council Chambers of the Glendale Municipal Office Complex, 5850 W. Glendale Avenue. The exact dates of workshops are scheduled by the City Council at formal Council meetings. The workshop agenda is posted at least 24 hours in advance.

Agendas may be obtained after 4:00 p.m. on the Friday before a Council meeting, at the City Clerk's Office in the Municipal Complex. The agenda and supporting documents are posted to the city's Internet web site, [www.glendaleaz.com](http://www.glendaleaz.com).

## Executive Session Schedule

Council may convene in “Executive Session” to receive legal advice and discuss land acquisitions, personnel issues, and appointments to boards and commissions. Executive Session will be held in Room B3 of the Council Chambers. As provided by state statute, this session is closed to the public.

## Questions or Comments

If you have any questions or comments about workshop agenda items or your city government, please call the City Manager's Office at (623) 930-2870.

If you have a concern you would like to discuss with your District Councilmember, please call (623) 930-2249, Monday - Friday, 8:00 a.m. – 5:00 p.m.

## Public Rules of Conduct

The presiding officer shall keep control of the meeting and require the speakers and audience to refrain from abusive or profane remarks, disruptive outbursts, applause, protests, or other conduct which disrupts or interferes with the orderly conduct of the business of the meeting. Personal attacks on Councilmembers, city staff, or members of the public are not allowed. Engaging in such conduct, and failing to cease such conduct upon request of the presiding officer will be grounds for removal of any disruptive person from the meeting room, at the direction of the presiding officer.

## Citizen Participation

The City Council does not take official action during workshop sessions. These meetings provide Council with an opportunity to hear a presentation by staff on topics that may come before Council at a voting meeting. There is no Citizen Comments portion on the workshop agenda.



**\*\* For special accommodations or interpreter assistance, please contact the City Manager's Office at (623) 930-2870 at least one business day prior to this meeting. TDD (623) 930-2197.**

**\*\* Para acomodacion especial o traductor de español, por favor llame a la oficina del administrador del ayuntamiento de Glendale, al (623) 930-2870 un día hábil antes de la fecha de la junta.**

## Councilmembers

Barrel District – Yvonne J. Knaack  
Cactus District – Ian Hugh  
Cholla District – Manuel D. Martinez  
Ocotillo District – Norma S. Alvarez  
Sahuaro District – Gary D. Sherwood  
Yucca District – Samuel U. Chavira



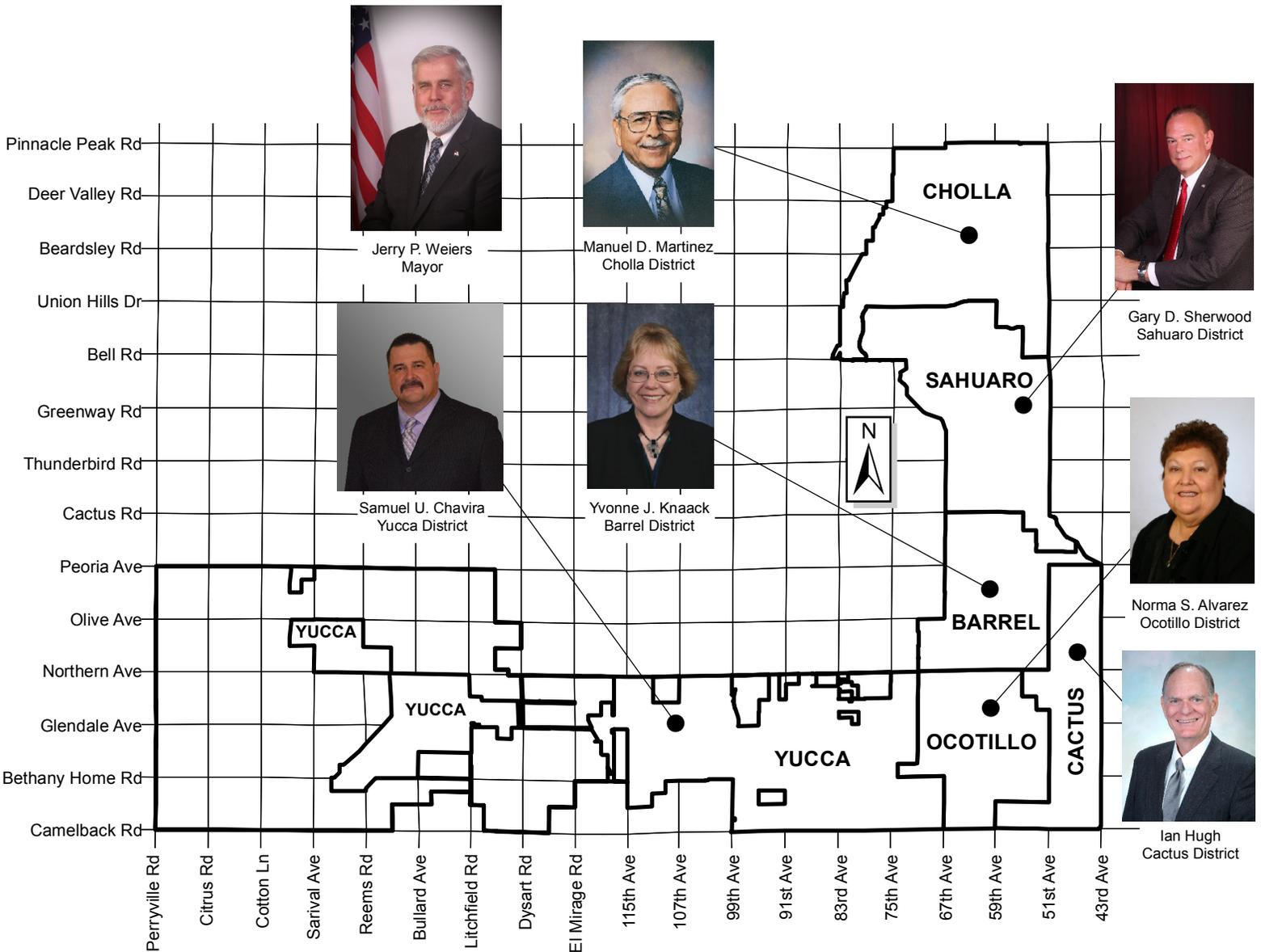
**MAYOR JERRY P. WEIERS**

## Appointed City Staff

Horatio Skeete – Acting City Manager  
Craig Tindall – City Attorney  
Pamela Hanna – City Clerk  
Elizabeth Finn – City Judge



# Council District Boundaries





**GLENDALE CITY COUNCIL WORKSHOP SESSION**  
**Council Chambers**  
**5850 West Glendale Avenue**  
**February 5, 2013**  
**1:30 p.m.**

One or more members of the City Council may be unable to attend the Workshop or Executive Session Meeting in person and may participate telephonically, pursuant to A.R.S. § 38-431(4).

**WORKSHOP SESSION**

1. EXTENSION OF THE ARENA MANAGEMENT AGREEMENT WITH THE NATIONAL HOCKEY LEAGUE UPDATE  
PRESENTED BY: Horatio Skeete, Acting City Manager
2. CITY COUNCIL GUIDELINES ITEM: VICE MAYOR APPOINTMENT  
PRESENTED BY: Horatio Skeete, Acting City Manager
3. COUNCIL COMMITTEES AND REGIONAL COMMITTEES  
PRESENTED BY: Horatio Skeete, Acting City Manager
4. COUNCIL MEETING ORDER OF BUSINESS  
PRESENTED BY: Horatio Skeete, Acting City Manager
5. CITY MANAGER RECRUITMENT  
PRESENTED BY: Jim Brown, Interim Executive Director of Human Resources and Risk Management
6. 2013 STATE LEGISLATIVE AGENDA  
PRESENTED BY: Brent Stoddard, Intergovernmental Programs Director
7. ANNEXATION APPLICATION AN-189: LITCHFIELD ROAD AND BETHANY HOME ROAD  
PRESENTED BY: Jon M. Froke, AICP, Planning Director
8. DRAFT SCOPE OF WORK FOR FORENSIC AUDIT

PRESENTED BY: Sherry Schurhammer, Executive Director, Financial Services Department

9. **AMENDED AND RESTATED TRIBAL WATER RIGHTS SETTLEMENT AND LEASE AGREEMENT**

PRESENTED BY: Craig Johnson, P.E., Executive Director, Water Services  
Doug Kukino, Environmental Resources Director

**CITY MANAGER'S REPORT**

**This report allows the City Manager to update the City Council. The City Council may only acknowledge the contents to this report and is prohibited by state law from discussing or acting on any of the items presented by the City Manager since they are not itemized on the Council Workshop Agenda.**

**COUNCIL ITEMS OF SPECIAL INTEREST**

**Councilmembers may indicate topic(s) they would like to have discussed by the Council at a future Workshop and the reason for their interest. The Council does not discuss the new topics at the Workshop where they are introduced.**

**EXECUTIVE SESSION - To be held in Council Chambers Room B-3**

1. **LEGAL MATTERS**

- A. The City Council will meet with the City Attorney for legal advice, discussion and consultation regarding its periodic review of the Arizona open meeting law. (A.R.S. § 38-431.03(A)(3))
- B. The City Council will meet with the City Attorney for legal advice, discussion and consultation regarding the proposed forensic audit for the City of Glendale. (A.R.S. § 38-431.03(A)(3))
- C. The City Council will meet with the City Attorney for legal advice, discussion and consultation regarding the city's position in pending or contemplated litigation, including settlement discussions conducted in order to avoid or resolve litigation. (A.R.S. § 38-431.03(A)(3)(4))

2. **LEGAL MATTERS – PROPERTY & CONTRACTS**

- A. Discussion and consultation with the City Attorney and City Manager to receive an update, consider its position and provide instruction and

direction to the City Attorney and City Manager regarding Glendale's position in connection with agreements associated with the Arena and the Hockey Team, which are the subject of negotiations. (A.R.S. § 38-431.03(A)(3)(4)(7))

- B. Discussion and consultation with the City Attorney and City Manager to receive an update, consider its position and provide instruction and direction to the City Attorney and City Manager regarding the Glendale Airport Restaurant Lease with Left Seat West at Glendale, Inc., which is the subject of negotiations. (A.R.S. § 38-431.03(A)(3)(4)(7))

### 3. PERSONNEL MATTERS

- A. Various terms have expired on boards, commissions and other bodies. The City Council will be discussing appointments involving the following boards, commissions and other bodies. (A.R.S. § 38-431.03(A)(1))

1. Arts Commission
2. Audit Committee
3. Aviation Advisory Commission
4. Board of Adjustment
5. Citizens Bicycle Advisory Committee
6. Citizens Transportation Oversight Commission
7. Commission on Neighborhoods
8. Commission on Persons with Disabilities
9. Community Development Advisory Committee
10. Glendale Municipal Property Corporation
11. Historic Preservation Commission
12. Industrial Development Authority
13. Judicial Selection Advisory Board
14. Library Advisory Board
15. Parks and Recreation Advisory Commission
16. Personnel Board
17. Planning Commission
18. Public Safety Personnel Retirement Board/Fire
19. Public Safety Personnel Retirement Board/Police
20. Risk Management/Workers Compensation Trust Fund Board
21. Western Loop101 Public Facilities Corporation

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (i) discussion or consideration of personnel matters (A.R.S. § 38-431.03(A)(1));
- (ii) discussion or consideration of records exempt by law from public inspection (A.R.S. § 38-431.03(A)(2));

- (iii) discussion or consultation for legal advice with the city's attorneys (A.R.S. § 38-431.03(A)(3));
- (iv) discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation (A.R.S. § 38-431.03(A)(4));
- (v) discussion or consultation with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. § 38-431.03(A)(5)); or
- (vi) discussing or consulting with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. § 38-431.03(A)(7)).

#### Confidentiality

Arizona statute precludes any person receiving executive session information from disclosing that information except as allowed by law. A.R.S. § 38-431.03(F). Each violation of this statute is subject to a civil penalty not to exceed \$500, plus court costs and attorneys' fees. This penalty is assessed against the person who violates this statute or who knowingly aids, agrees to aid or attempts to aid another person in violating this article. The city is precluded from expending any public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced for violation of the statute unless the City Council takes a legal action at a properly noticed open meeting to approve of such expenditure prior to incurring any such obligation or indebtedness. A.R.S. § 38-431.07(A)(B).

Items Respectfully Submitted,



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Horatio Skeete  
Acting City Manager



# CITY COUNCIL REPORT

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Meeting Date: **2/5/2013**  
Meeting Type: **Workshop**  
Title: **EXTENSION OF THE ARENA MANAGEMENT AGREEMENT WITH THE NATIONAL HOCKEY LEAGUE UPDATE**  
Staff Contact: **Horatio Skeete, Acting City Manager**

## **Purpose and Policy Guidance**

This is a request for City Council to provide guidance and direction to staff on how to move forward with the Arena Management Agreement for Jobing.com Arena.

## **Background Summary**

The Acting City Manager will present a review of the options regarding the city-owned Jobing.com Arena and the impact of the unfulfilled sale of the Phoenix Coyotes.

The deadline for prospective Phoenix Coyotes' owner, Greg Jamison of Arizona Hockey Arena Partners, LLC and the Arizona Hockey Partners, LLC, to purchase the Phoenix Coyotes' team was Thursday, January 31<sup>st</sup> at midnight. Mr. Jamison was required under terms of the finalized Arena Lease and Management Agreement and Noncompetition and Non-relocation Agreement to purchase the team from the National Hockey League by the deadline date and time to secure the 20 year deal with the city to use and manage the city-owned Jobing.com Arena.

Mr. Jamison was not able to complete the purchase of the Phoenix Coyotes and did not sign agreement by the deadline on January 31st.

## **Attachments**

None



# CITY COUNCIL REPORT

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Meeting Date: **2/5/2013**  
Meeting Type: **Workshop**  
Title: **CITY COUNCIL GUIDELINES ITEM: VICE MAYOR APPOINTMENT**  
Staff Contact: **Mayor and Council**

## **Purpose and Policy Guidance**

Pursuant to City Council Guidelines, this is a request for Council to discuss and consider the appointment of a Vice Mayor for the remainder of the Fiscal Year 2012-13.

Nominations for Vice Mayor will be discussed by Council. If nominations are indicated by Councilmembers at this workshop, a formal nomination and selection process will be placed on the agenda for the next regular Council meeting.

## **Background Summary**

The Glendale City Charter provides for the composition of the Council. The Charter states:

Art. II, Sec. 7. Vice Mayor.

The council shall designate one (1) of its members as vice mayor, who shall serve in such capacity at the pleasure of the council. The vice mayor shall perform the duties of the mayor during the mayor's absence or disability.

Mayor and Council adopted the City Council Guidelines at the May 26, 2009 Council meeting and amended Section 2 pertaining to Council Items of Special Interest on January 8, 2013.

The Guidelines regarding the appointment of a Vice Mayor, Section 8, state as follows:

*The Vice Mayor is selected by a majority vote of the Council. At the first workshop of June each year the Council will consider the appointment of a Vice Mayor for the following fiscal year. At that meeting nominations for Vice-Mayor will be discussed by the Council. If nominations are indicated by Councilmembers at the workshop, a formal nomination and selection process will be placed on the agenda for the next regular meeting following the workshop.*

*If the Vice Mayor vacates the position for any reason, the selection for replacement will proceed in a timely fashion following the process above and the selected Councilmember will serve for the remainder of the one-year term.*

## **Attachments**

Council Guidelines

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# Glendale, AZ

## City Council Guidelines

# **City Council Guidelines**

## **City of Glendale, AZ**

Adopted: May 26, 2009

Amended: January 8, 2013

### **INTRODUCTION**

The Mayor and City Council agree to the following as fundamentally important to the effective and efficient conduct of the public's business. The Guidelines as adopted represent an agreed upon set of behaviors that will be evident in the performance of their duties as policy makers and representatives of their constituencies.

### **GLOSSARY OF TERMS**

To avoid confusion in understand the intent of this document the following defines important terms being used:

- Council... The Council shall consist of a mayor and six (6) other members to be elected by the qualified electors of the City of Glendale.
- Councilmember... refers to each individual constituting the Council and includes the Mayor unless specifically excluded or referred to by the title Mayor.
- Mayor... The Mayor is the chairman of the Council and presides over its deliberations. When it is necessary to specifically identify the Mayor as separate from the other Councilmembers, the term "Mayor" is used.

### **1. STAFF ASSISTANCE FOR COUNCILMEMBERS**

The City Manager's office will respond to requests from Councilmembers for information, assistance or research calling for multi departmental involvement. City Manager will designate staff to assign these requests to appropriate City staff and to track progress on the assignments. Councilmembers must use this process when contacting the City Manager's office for assistance.

Requests that involve more than eight hours of staff work by non-Council staff, a multi-department approach or expenditure of city monies other than budgeted Council funds must go through the process for placement of an item on the Workshop Agenda. The staff will be responsible for reporting such requests to the City Manager's office where the designee will notify the Councilmember(s) who made the original request.

### **2. PLACING ITEMS OF SPECIAL INTEREST ON A WORKSHOP AGENDA**

1. "City Council Workshop Items of Special Interest" is listed on every Workshop agenda. This item will be a standing item and will be placed last on the Workshop agenda.

2. Under that agenda item, Councilmembers may indicate topic(s) they would like to have discussed by the Council at a future Workshop and the reason for their interest. The Council does not discuss the new topics at the Workshop where they are introduced.
3. Each item introduced is referred to the City Manager for preparation of a brief initial assessment report including resources required, impact on other projects, relationship to work program priorities and Council strategies, and other related observations.
4. In 30 days the City Manager, or designated management staff, will report back to the Council on each item during a regularly scheduled Workshop. If for any reason, a Workshop is not scheduled shortly after the 30 day time period, the report will be presented at the next regularly scheduled Workshop. Council discusses to determine if they want to pursue any item further through more detailed analysis and/or policy action.
5. Council gives direction to the City Manager regarding the disposition of items discussed.

(Above section amended January 8, 2013 by Resolution, No. 4635 New Series)

### **3. COUNCILMEMBER BUDGET/EXPENSES**

Each Councilmember elected from a district is provided \$18,000 each budget year for various expenses that have benefit to the City of Glendale and meet applicable budget expenditure laws. For example, the monies may be used for postage, attending conferences and seminars, equipment, and newsletters. Items purchased are for the use of the Councilmembers during their tenure, for City business only, and remain the property of the City of Glendale. All bidding requirements and conditions of the City's Purchasing Ordinance must be met. Monies not expended may not be carried over to subsequent years. The Mayor is not included in this appropriation.

### **4. COUNCIL DISTRICT IMPROVEMENT FUNDS**

Each Councilmember elected from a district is provided \$15, 000 each budget year for projects related to the placement, replacement or enhancement of facilities or equipment within the City of Glendale. The Mayor is not included in this appropriation.

When a Councilmember determines a use for the funds, Council staff requests information from the relevant department. The department obtains cost estimates based on the project scope as outlined by the Councilmember. After cost estimates have been obtained, a Council staff completes a District Improvement form and sends to the Councilmember for comment and approval.

Departmental staff is responsible for making sure that all requirements of the City's Purchasing Ordinance have been met. If necessary, the assigned staff will be responsible for preparation, approval of and monitoring of agreements or contracts.

The Council Services Administrator must approve requests or other financial documents.

The Council staff retains copies of the related paperwork to follow up and assure that District Improvement funds are properly tracked.

The District Improvement fund accounts are charged for all expenses associated with the project with the exception of departmental charge backs for internal labor expenses.

Ongoing maintenance costs of capital projects enabled through this funding mechanism must be paid from related district funds in future years.

## **5. CITY TRAVEL POLICY**

The Council agrees to conform to the regulations that govern all City employees on this matter. Accordingly, the current City Travel Policy is attached and will be replaced as changes are made in the future. *See attachment A: City Travel Policy, 6<sup>th</sup> Revision, 11/02/07*

## **6. OFFICIAL INVITATION EXPENSES**

The City will cover expenses for any Councilmember and a guest at local events when the Councilmember and guest are jointly invited and the Councilmember is serving in an official capacity. The City does not otherwise reimburse Councilmembers for expenses incurred by their guests.

## **7. COUNCIL RETREAT**

At a mutually agreed upon date, the Council will hold an annual retreat to discuss Council goals and other important issues.

## **8. SELECTION AND RESPONSIBILITIES OF THE VICE MAYOR**

The Vice Mayor is selected by a majority vote of the Council. At the first workshop of June each year the Council will consider the appointment of a Vice Mayor for the following fiscal year. At that meeting nominations for Vice-Mayor will be discussed by the Council. If nominations are indicated by Councilmembers at the workshop, a

formal nomination and selection process will be placed on the agenda for the next regular meeting following the workshop.

If the Vice Mayor vacates the position for any reason, the selection for replacement will proceed in a timely fashion following the process above and the selected Councilmember will serve for the remainder of the one-year term.

***City Charter: Sec. 7. Vice mayor.***

*The Council shall designate one (1) of its members as vice mayor, who shall serve in such capacity at the pleasure of the council. The vice mayor shall perform the duties of the mayor during the mayor's absence or disability. (3-15-88)*

## **9. COUNCIL COMMITTEES**

At the first Workshop of June each year, the Council will appoint membership to standing Council committees for the following fiscal year. The Mayor will ask the Councilmembers to indicate on which committee they wish to serve .

Each committee will be comprised of three members. The members of each committee will select their own chairperson at their first committee meeting. Councilmembers may not serve as Chairperson of more than one committee at a time unless the number of committees is greater than the number of Councilmembers. In that case, the limit is two chairmanships.

If new Councilmembers are seated prior to the annual selection of committee membership, the new Councilmembers will fill vacant committee positions for the remainder of the one-year term.

If any Councilmember wishes to add, delete or adjust any committee, the process indicated in City Council Guidelines, Section 2, “*Placing Items of Special Interest on Workshop Agenda*” is followed.

## **10. BOARD AND COMMISSION APPOINTMENTS**

Board and Commission members will be appointed to serve by the Council in accordance with the Ordinance related to each Board and Commission. When vacancies occur, Councilmembers making recommendations to the Council are required to forward the application and his/her written recommendation to the government Services Committee. The Government Services Committee will be responsible for reviewing the applications and making recommendations. The Committee will forward recommendations for Board and Commission membership and Chair designation to the full Council for discussion at Executive Session. The

Council will approve Board and Commission members and the respective Chairs unless otherwise prescribed by ordinance. The appointment will be made when the majority of the Council agrees with a recommendation and a vote taken at a Regular Council meeting.

An appointment is made when the majority of the Councilmembers agree with a recommendation and a vote is taken at a Regular Council meeting. When consensus cannot be reached, the Councilmember will be responsible for bringing forward another nomination. Councilmembers should recommend appointment of individuals from their geographical district. If the district councilmember believes that an exception should be made, the issue shall be brought to the full Council for consideration.

If a Board or Commission member is not carrying out their assigned duties, it is the responsibility of the Councilmember who recommended the appointment of the individual to counsel the member.

If a Board or Commission member has been properly counseled and is still not carrying out their assigned duties, the Code of Ethics addresses the removal of Board or Commission members for cause as follows, "Inappropriate behavior can lead to removal. Inappropriate behavior by a Board or Commission member should be communicated to the Chair of the Government Services Committee who will communicate to the Councilmember who presented the member for appointment. If inappropriate behavior continues, the situation will be brought to the attention of the Council and the individual is subject to removal from the Board or Commission in accordance with any applicable ordinance."

#### **11. CONSTITUENT CONTACTS IN ANOTHER COUNCILMEMBER'S DISTRICT**

As a courtesy, Councilmembers agree to keep each other informed of requests, telephone or personal contacts with constituents, businesspersons, etc., which may be of interest to another Councilmember or will impact them.

#### **12. WRITTEN COMMUNICATIONS FROM COUNCILMEMBERS**

"City letterhead may be used only when the Councilmember is representing and speaking on behalf of the City and within the Councilmember's official capacity. A copy of official correspondence should be given to the council office and mayor's office staff to be maintained as a public record." *Sec. 4.c, Code of Conduct*

If the council member is representing the City, that Councilmember must consistently support and advocate the City's official position on an issue and cannot foster or further a personal viewpoint that is inconsistent with the official City position.

#### **14. STATE/FEDERAL LOBBYING**

“If a Councilmember appears before another governmental agency or organization to give a statement on an issue, the council member must clearly state 1) whether his or her statement reflects personal opinion or is the official stance of the City; 2) whether this is the majority or minority opinion of the council.” *Sec. 4.a, Code of Conduct*

#### **15. VIOLATIONS AND SANCTIONS**

##### **A. Process**

- (1) The first and most important step in this section is the requirement that the offended Councilmember address the concern with the offending Councilmember including a description of the specific action observed, the relationship of that event to the Council Guidelines and, if applicable, the impact it had on the offended Councilmember. The purpose of this first step is to assure that an attempt has been made to discuss the issue and resolve the conflict without proceeding further. This step requires no formal action and no involvement of other Councilmembers.
- (2) Either party may request, and both must agree, to seek a third party who will assist in facilitating the discussion toward a mutually satisfactory conclusion. If any expenses are incurred they will be paid for equally from the district funds of each member engaged in the mediation.
- (3) If the situation cannot be settled through the process in steps (1) and (2), either Council member may choose to refer the concern to the entire Council for their review. The Council will serve as a committee of the whole for purposes of Guidelines violation and sanction consideration.
- (4) To present the concern to the Council, the offended member must advise the offending Councilmember that the issue will be taken to the Council and subsequently ask the City Manager to post the issue for the earliest upcoming executive session. All laws pertaining to executive session will apply. Included in those rules is the option for the offending Council member to exercise their right to request that the discussion be held in an open hearing. The City Attorney's Office will prepare notice to the Councilmember or Councilmembers that are to be discussed in executive session as required by law.
- (5) The Council will discuss the issue in order to:
  - a. become fully informed;
  - b. determine if there appears to be a violation of the Council Guidelines;

- c. seek resolution without further action or, if necessary schedule the issue for an upcoming public hearing for final determination regarding whether a violation occurred and if necessary;
  - d. determine what sanction is most appropriate; customarily, sanctions are limited to a letter of reprimand or censure.
- (6) A 2/3 vote of the Council at a regular council meeting will be required for a determination that a violation has occurred and likewise, a 2/3 vote for the sanction to be imposed.
- (7) If a sanction is imposed, the language will follow a specific format to be established by the Council and used consistently as such situations occur.

**B. Effects of Violations**

The Council Guidelines document alone does not provide a basis for challenging the validity of any final enactment, resolution, decision, determination, or recommendation of the council, a board or a commission.



# CITY COUNCIL REPORT

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Meeting Date: **2/5/2013**  
Meeting Type: **Workshop**  
Title: **COUNCIL COMMITTEES AND REGIONAL COMMITTEES**  
Staff Contact: **Mayor and Council**

## **Purpose and Policy Guidance**

This is a request for Council to discuss and formalize the appointment of membership to standing Council committees for the remainder of the Fiscal Year 2012-13 pursuant to City Council Guidelines. The two standing committees specifically to be addressed at this time are the Government Services Committee (GSC) and the Sustainability Committee.

This is also the time for Council to discuss appointments to Regional Committees and Sub Committees.

## **Background Summary**

Mayor and Council adopted the City Council Guidelines at the May 26, 2009 Council meeting and amended the Guidelines on January 8, 2013.

Adopted City Council Guidelines, Section 9, pertains to the appointment of membership to committees and reads as follows:

At the first Workshop in June of each year, the Council will appoint membership to standing Council committees for the following fiscal year. The Mayor will ask the Councilmembers to indicate on which committee they wish to serve.

Each committee will be comprised of three members. The members of each committee will select their own chairperson at their first committee meeting. Councilmembers may not serve as Chairperson of more than one committee at a time unless the number of committees is greater than the number of Councilmembers. In that case, the limit is two chairmanships.

If new Councilmembers are seated prior to the annual selection of committee membership, the new Councilmembers will fill vacant committee positions for the remainder of the one-year term.

If any Councilmember wishes to add, delete or adjust any committee, the process indicated in City Council Guidelines, Section 2, "Placing Items of Special Interest on Workshop Agenda" is followed.



# CITY COUNCIL REPORT

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The City of Glendale is represented on various regional committees by members of Council. Appointments to the following committees should be formalized at this time.

**Maricopa Association of Governments (MAG)**

Economic Development Committee (EDC) (requires special appointment)

Transportation Policy Committee (TPC)

Regional Council

Regional Domestic Violence Council

Continuum of Care Regional Committee on Homelessness

Human Services Coordinating Committee

**Valley Metro RPTA**

Board of Directors

**METRO Light Rail**

Board of Directors

**Arizona Municipal Water Users' Association**

Board of Directors

**Arizona League of Cities and Towns**

Executive Committee (requires special appointment)

**Luke West Valley Council**

**West Valley Mayors & Managers**

**WESTMARC**

Board of Directors

Executive Committee (requires special appointment)

**Glendale Chamber of Commerce**

Board of Directors (ex-officio member)

**Attachments**

Council Guidelines

May | 09

# Glendale, AZ

## City Council Guidelines

# **City Council Guidelines**

## **City of Glendale, AZ**

Adopted: May 26, 2009

Amended: January 8, 2013

### **INTRODUCTION**

The Mayor and City Council agree to the following as fundamentally important to the effective and efficient conduct of the public's business. The Guidelines as adopted represent an agreed upon set of behaviors that will be evident in the performance of their duties as policy makers and representatives of their constituencies.

### **GLOSSARY OF TERMS**

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### **1. STAFF ASSISTANCE FOR COUNCILMEMBERS**

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Requests that involve more than eight hours of staff work by non-Council staff, a multi-department approach or expenditure of city monies other than budgeted Council funds must go through the process for placement of an item on the Workshop Agenda. The staff will be responsible for reporting such requests to the City Manager's office where the designee will notify the Councilmember(s) who made the original request.

### **2. PLACING ITEMS OF SPECIAL INTEREST ON A WORKSHOP AGENDA**

1. "City Council Workshop Items of Special Interest" is listed on every Workshop agenda. This item will be a standing item and will be placed last on the Workshop agenda.

2. Under that agenda item, Councilmembers may indicate topic(s) they would like to have discussed by the Council at a future Workshop and the reason for their interest. The Council does not discuss the new topics at the Workshop where they are introduced.
3. Each item introduced is referred to the City Manager for preparation of a brief initial assessment report including resources required, impact on other projects, relationship to work program priorities and Council strategies, and other related observations.
4. In 30 days the City Manager, or designated management staff, will report back to the Council on each item during a regularly scheduled Workshop. If for any reason, a Workshop is not scheduled shortly after the 30 day time period, the report will be presented at the next regularly scheduled Workshop. Council discusses to determine if they want to pursue any item further through more detailed analysis and/or policy action.
5. Council gives direction to the City Manager regarding the disposition of items discussed.

(Above section amended January 8, 2013 by Resolution, No. 4635 New Series)

### **3. COUNCILMEMBER BUDGET/EXPENSES**

Each Councilmember elected from a district is provided \$18,000 each budget year for various expenses that have benefit to the City of Glendale and meet applicable budget expenditure laws. For example, the monies may be used for postage, attending conferences and seminars, equipment, and newsletters. Items purchased are for the use of the Councilmembers during their tenure, for City business only, and remain the property of the City of Glendale. All bidding requirements and conditions of the City's Purchasing Ordinance must be met. Monies not expended may not be carried over to subsequent years. The Mayor is not included in this appropriation.

### **4. COUNCIL DISTRICT IMPROVEMENT FUNDS**

Each Councilmember elected from a district is provided \$15, 000 each budget year for projects related to the placement, replacement or enhancement of facilities or equipment within the City of Glendale. The Mayor is not included in this appropriation.

When a Councilmember determines a use for the funds, Council staff requests information from the relevant department. The department obtains cost estimates based on the project scope as outlined by the Councilmember. After cost estimates have been obtained, a Council staff completes a District Improvement form and sends to the Councilmember for comment and approval.

Departmental staff is responsible for making sure that all requirements of the City's Purchasing Ordinance have been met. If necessary, the assigned staff will be responsible for preparation, approval of and monitoring of agreements or contracts.

The Council Services Administrator must approve requests or other financial documents.

The Council staff retains copies of the related paperwork to follow up and assure that District Improvement funds are properly tracked.

The District Improvement fund accounts are charged for all expenses associated with the project with the exception of departmental charge backs for internal labor expenses.

Ongoing maintenance costs of capital projects enabled through this funding mechanism must be paid from related district funds in future years.

## **5. CITY TRAVEL POLICY**

The Council agrees to conform to the regulations that govern all City employees on this matter. Accordingly, the current City Travel Policy is attached and will be replaced as changes are made in the future. *See attachment A: City Travel Policy, 6<sup>th</sup> Revision, 11/02/07*

## **6. OFFICIAL INVITATION EXPENSES**

The City will cover expenses for any Councilmember and a guest at local events when the Councilmember and guest are jointly invited and the Councilmember is serving in an official capacity. The City does not otherwise reimburse Councilmembers for expenses incurred by their guests.

## **7. COUNCIL RETREAT**

At a mutually agreed upon date, the Council will hold an annual retreat to discuss Council goals and other important issues.

## **8. SELECTION AND RESPONSIBILITIES OF THE VICE MAYOR**

The Vice Mayor is selected by a majority vote of the Council. At the first workshop of June each year the Council will consider the appointment of a Vice Mayor for the following fiscal year. At that meeting nominations for Vice-Mayor will be discussed by the Council. If nominations are indicated by Councilmembers at the workshop, a

formal nomination and selection process will be placed on the agenda for the next regular meeting following the workshop.

If the Vice Mayor vacates the position for any reason, the selection for replacement will proceed in a timely fashion following the process above and the selected Councilmember will serve for the remainder of the one-year term.

***City Charter: Sec. 7. Vice mayor.***

*The Council shall designate one (1) of its members as vice mayor, who shall serve in such capacity at the pleasure of the council. The vice mayor shall perform the duties of the mayor during the mayor's absence or disability. (3-15-88)*

## **9. COUNCIL COMMITTEES**

At the first Workshop of June each year, the Council will appoint membership to standing Council committees for the following fiscal year. The Mayor will ask the Councilmembers to indicate on which committee they wish to serve .

Each committee will be comprised of three members. The members of each committee will select their own chairperson at their first committee meeting. Councilmembers may not serve as Chairperson of more than one committee at a time unless the number of committees is greater than the number of Councilmembers. In that case, the limit is two chairmanships.

If new Councilmembers are seated prior to the annual selection of committee membership, the new Councilmembers will fill vacant committee positions for the remainder of the one-year term.

If any Councilmember wishes to add, delete or adjust any committee, the process indicated in City Council Guidelines, Section 2, “*Placing Items of Special Interest on Workshop Agenda*” is followed.

## **10. BOARD AND COMMISSION APPOINTMENTS**

Board and Commission members will be appointed to serve by the Council in accordance with the Ordinance related to each Board and Commission. When vacancies occur, Councilmembers making recommendations to the Council are required to forward the application and his/her written recommendation to the government Services Committee. The Government Services Committee will be responsible for reviewing the applications and making recommendations. The Committee will forward recommendations for Board and Commission membership and Chair designation to the full Council for discussion at Executive Session. The

Council will approve Board and Commission members and the respective Chairs unless otherwise prescribed by ordinance. The appointment will be made when the majority of the Council agrees with a recommendation and a vote taken at a Regular Council meeting.

An appointment is made when the majority of the Councilmembers agree with a recommendation and a vote is taken at a Regular Council meeting. When consensus cannot be reached, the Councilmember will be responsible for bringing forward another nomination. Councilmembers should recommend appointment of individuals from their geographical district. If the district councilmember believes that an exception should be made, the issue shall be brought to the full Council for consideration.

If a Board or Commission member is not carrying out their assigned duties, it is the responsibility of the Councilmember who recommended the appointment of the individual to counsel the member.

If a Board or Commission member has been properly counseled and is still not carrying out their assigned duties, the Code of Ethics addresses the removal of Board or Commission members for cause as follows, "Inappropriate behavior can lead to removal. Inappropriate behavior by a Board or Commission member should be communicated to the Chair of the Government Services Committee who will communicate to the Councilmember who presented the member for appointment. If inappropriate behavior continues, the situation will be brought to the attention of the Council and the individual is subject to removal from the Board or Commission in accordance with any applicable ordinance."

## **11. CONSTITUENT CONTACTS IN ANOTHER COUNCILMEMBER'S DISTRICT**

As a courtesy, Councilmembers agree to keep each other informed of requests, telephone or personal contacts with constituents, businesspersons, etc., which may be of interest to another Councilmember or will impact them.

## **12. WRITTEN COMMUNICATIONS FROM COUNCILMEMBERS**

"City letterhead may be used only when the Councilmember is representing and speaking on behalf of the City and within the Councilmember's official capacity. A copy of official correspondence should be given to the council office and mayor's office staff to be maintained as a public record." *Sec. 4.c, Code of Conduct*

If the council member is representing the City, that Councilmember must consistently support and advocate the City's official position on an issue and cannot foster or further a personal viewpoint that is inconsistent with the official City position.

#### **14. STATE/FEDERAL LOBBYING**

“If a Councilmember appears before another governmental agency or organization to give a statement on an issue, the council member must clearly state 1) whether his or her statement reflects personal opinion or is the official stance of the City; 2) whether this is the majority or minority opinion of the council.” *Sec. 4.a, Code of Conduct*

#### **15. VIOLATIONS AND SANCTIONS**

##### **A. Process**

- (1) The first and most important step in this section is the requirement that the offended Councilmember address the concern with the offending Councilmember including a description of the specific action observed, the relationship of that event to the Council Guidelines and, if applicable, the impact it had on the offended Councilmember. The purpose of this first step is to assure that an attempt has been made to discuss the issue and resolve the conflict without proceeding further. This step requires no formal action and no involvement of other Councilmembers.
- (2) Either party may request, and both must agree, to seek a third party who will assist in facilitating the discussion toward a mutually satisfactory conclusion. If any expenses are incurred they will be paid for equally from the district funds of each member engaged in the mediation.
- (3) If the situation cannot be settled through the process in steps (1) and (2), either Council member may choose to refer the concern to the entire Council for their review. The Council will serve as a committee of the whole for purposes of Guidelines violation and sanction consideration.
- (4) To present the concern to the Council, the offended member must advise the offending Councilmember that the issue will be taken to the Council and subsequently ask the City Manager to post the issue for the earliest upcoming executive session. All laws pertaining to executive session will apply. Included in those rules is the option for the offending Council member to exercise their right to request that the discussion be held in an open hearing. The City Attorney's Office will prepare notice to the Councilmember or Councilmembers that are to be discussed in executive session as required by law.
- (5) The Council will discuss the issue in order to:
  - a. become fully informed;
  - b. determine if there appears to be a violation of the Council Guidelines;

- c. seek resolution without further action or, if necessary schedule the issue for an upcoming public hearing for final determination regarding whether a violation occurred and if necessary;
  - d. determine what sanction is most appropriate; customarily, sanctions are limited to a letter of reprimand or censure.
- (6) A 2/3 vote of the Council at a regular council meeting will be required for a determination that a violation has occurred and likewise, a 2/3 vote for the sanction to be imposed.
- (7) If a sanction is imposed, the language will follow a specific format to be established by the Council and used consistently as such situations occur.

**B. Effects of Violations**

The Council Guidelines document alone does not provide a basis for challenging the validity of any final enactment, resolution, decision, determination, or recommendation of the council, a board or a commission.



# CITY COUNCIL REPORT

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Meeting Date: **2/5/2013**  
Meeting Type: **Workshop**  
Title: **COUNCIL MEETING ORDER OF BUSINESS**  
Staff Contact: **Horatio Skeete, Acting City Manager**

## **Purpose and Policy Guidance**

The purpose of this Council Report is to review and consider the current Council Meeting Rules and Procedures, and the Glendale City Code provision setting the date, time and location for regular meetings. Staff is seeking Council guidance on any requested modifications to the current meeting criteria.

## **Background Summary**

The City of Glendale is dedicated to ensuring that order and decorum at all meetings of the Council be preserved to allow the orderly conduct of the business of the meeting and to provide all persons in attendance a fair opportunity to provide input to the Council and to city administration. Council Meeting Rules and Procedures, Section 3 – Order of Business, provides for the order of business at regular meetings of the Council. A Resolution is required to revise policies, plans, rules or regulations.

The Code of the City of Glendale, Chapter 2, Article II, Section 2-16 and Section 2-18 provides for regular meeting date, time, and place. Any amendments to the City Code require action by Ordinance.

## **Previous Related Council Action**

On July 8, 1997, Council approved Resolution No. 3136 New Series, establishing the current meeting policy.

On November 24, 1992, Council approved Ordinance No. 1743 New Series, amending the Code of the City of Glendale, Chapter 2, Article II, Section 2-16, concerning the number of regular Council meetings and times.

## **Attachments**

Resolution No. 3136 New Series	Ordinance No. 1743 New Series
Council Meeting Rules and Procedures	Other

RESOLUTION NO. 3136 NEW SERIES

A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, ADOPTING THE GLENDALE CITY COUNCIL "COUNCIL MEETING RULES AND PROCEDURES" AND THE GUIDELINES FOR PUBLIC HEARING ITEMS AND CITIZEN COMMENTS.

WHEREAS, the Council of the City of Glendale wishes to ensure that order and decorum at all meetings of the Council be preserved to allow the orderly conduct of the business of the meeting and to provide all persons in attendance a fair opportunity to provide input to the Council and to City administration.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That the certain documents known as the Glendale City Council "Council Meeting Rules and Procedures" and the guidelines for public hearing items and citizen comments, three (3) copies of which are on file in the office of the City Clerk of the City of Glendale, Arizona, are hereby referred to, adopted, and made a part hereof as if fully set forth in this resolution.

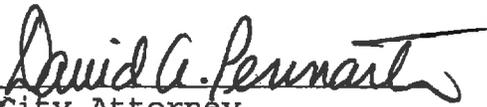
PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this 8th day of July, 1997.

  
MAYOR

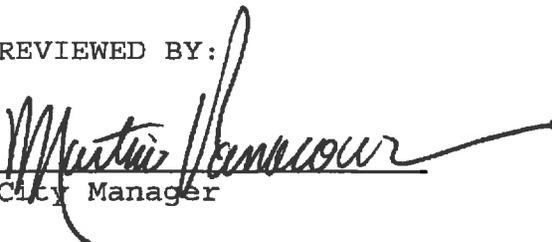
ATTEST:

  
City Clerk (SEAL)

APPROVED AS TO FORM:

  
Acting City Attorney

REVIEWED BY:

  
City Manager

# GLENDALE CITY COUNCIL

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## COUNCIL MEETING RULES AND PROCEDURES

### SECTION 1 - RULES, PURPOSE AND EFFECT.

- 1.1 The Council's meetings must be noticed and conducted in accordance with applicable open meetings statutes and other law.
- 1.2 These rules and procedures are adopted by the Council of the City of Glendale, under the Council's authority provided by the Charter and by law to determine its own rules, order of business, and to regulate the conduct of its meetings. Where not inconsistent with these rules and procedures, the current version of *Robert's Rules of Order* will be used as a supplementary guideline and general parliamentary procedure will be observed in the conduct of the Council's meetings.
- 1.3 The Mayor, or a majority of the Council, may suspend strict observance of these rules and procedures and any applicable provision of *Robert's Rules* for the timely and orderly progression of the meeting.

### SECTION 2 - PRESIDING OFFICER.

- 2.1 As provided by the City Charter, the Mayor, or in the Mayor's absence, the Vice-Mayor, is the presiding officer of the Council and will preside at all Council meetings.
- 2.2 The presiding officer will preserve order and decorum at all meetings of the Council to allow the orderly conduct of the business of the meeting and to provide persons in attendance with an interest in all agenda items to have an opportunity to have their item of interest duly considered by the Council, including a fair opportunity for interested persons to speak on public hearing items. Any decision by the Mayor on procedural matters is final, subject only to appeal to the whole Council as provided in *Robert's Rules*.

### SECTION 3 - ORDER OF BUSINESS.

- 3.1 The order of business at regular meetings of the Council ordinarily will be as follows:

Call to Order - Pledge of Allegiance.  
Approval of Minutes.  
Proclamations and Awards.  
Consent Agenda.

Order of Business, continued.

Land Development Actions.  
Bids and Contracts.  
Liquor Licenses.  
Ordinances.  
Resolutions.  
New Business.  
Boards and Commissions.  
Request for Future Workshop and Executive Session.  
Citizen Comments.  
Council Comments and Suggestions.  
Adjournment.

- 3.2 The Mayor, or a majority of the Council, may decide to consider items out of sequence from the printed agenda for the meeting. The Council cannot act on any items not listed on the agenda unless an emergency exists.
- 3.3 The consent agenda matters are of a routine nature or matters which previously have been studied by the Council at a work session and may be adopted by one motion. Other than introduction of the items by the City Manager, there will be no discussion of separate items, unless members of the Council request that a specific item be discussed and considered separately.

**SECTION 4 - WORKSHOP MEETINGS.**

- 4.1 The Council may conduct workshop meetings or study sessions on matters which are expected to come before the Council for formal action at a regular meeting or otherwise need study by the Council. Items to be considered will be placed on an agenda as required by the open meetings statutes.
- 4.2 At workshop meetings the Council will receive information and presentation of issues from the City Manager and City staff. Council may ask questions and may request that certain information be provided or issues be addressed when items are considered further at another workshop meeting or a regular meeting of Council. Council may direct that matters under consideration be brought forward for formal action at a regular meeting, that further study be conducted if appropriate, that matters under consideration not be pursued further (except for matters requiring a public hearing), or that modifications be made before a matter is considered further.
- 4.3 Final action on items is not taken at workshop or study sessions. No formal vote of the Council in favor or against any agenda item may be taken at a workshop or study session.

- 4.4 Workshops are not public hearings. On public hearing items, public testimony will be taken before Council action on the item at a regular meeting. No member of the public or interested party has the right to make a presentation or address the Council on an item under consideration in a workshop or a study session. Questions may be directed by the Council to a member of the public or another interested party or, in appropriate circumstances, a brief presentation may be permitted by a member of the public or another interested party on an agenda item or a particular question related to an agenda item. The Mayor may limit or end the time for such response to questions or presentation.

## **SECTION 5 - ADDRESSING THE COUNCIL, REGULAR MEETINGS AND PUBLIC HEARINGS.**

- 5.1 Any person wishing to address the Council, on a public hearing item or other agenda item, must fill out a speaker card and turn it in to the City Clerk, indicating the speaker's name, address, and the agenda item on which he or she wishes to speak. Persons wishing to speak under "Citizen Comments" should designate a subject matter on which they will speak. On agenda items that are not scheduled for public hearing, brief public comment may be allowed, time permitting. The time permitted for such public comment by each speaker will be limited as provided for public hearing items. The Mayor may close the public comment on non-public hearing agenda items, even if not all interested parties have spoken, or end the time for comment by a speaker, to allow the meeting to proceed.
- 5.2 The time for each speaker's comments during a public hearing will be limited to a maximum of five minutes. Speakers may be limited to less than five minutes apiece in consideration of the number of people wishing to speak, the length of the agenda, the number of public hearing items, and the timely and orderly progression of the meeting. Applicants on public hearing items and their attorneys, representatives, experts and supporting witnesses are not necessarily limited to a total of five minutes, but must be concise and coordinate their presentations to avoid repetition and unnecessary length. At the discretion of the Chair, rebuttal comments by the applicant or applicants' representative may be allowed. If allowed, rebuttal comments will address matters and questions raised in the public hearing, answers to questions by Council, and must be brief. Other than any rebuttal, no person will be allowed to address the Council after the public hearing is closed or after a motion is made on a non-public hearing item, without first securing the permission to do so.
- 5.3 Speakers on any item, whether a public hearing, other item on the agenda, or Citizen Comments, should address their comments to matters pertinent to the agenda item or subject matter at hand and should avoid repetition of the comments of previous speakers on the item. Simply stating agreement with the points raised by the prior speaker(s) will help move the meeting along so that all who wish to speak have the opportunity to do so within a reasonable time. Large groups whose members wish to speak on a matter may designate a spokesperson.

- 5.4 The purpose of public comment is to provide information and the speaker's views for Council consideration. Any questions raised by the speaker will not be answered by Council during the public hearing, but will be referred for follow-up by the City Manager or City staff after the conclusion of the public hearing. It is not appropriate in the public hearing or public comment period on another agenda item for the speakers to debate the matter under consideration with other speakers, the audience, or members of the Council. All comments should be addressed through the Chair. Questions may be posed to the speakers, any applicant's representatives, and City staff, by the Council, after being recognized by the Chair. Except when answering a direct question from a Council member, all remarks will be addressed to the Council as a whole, and not to individual members.
- 5.5. Proper decorum must be observed by members of the Council, by speakers in providing testimony and remarks, and by the audience. The Mayor shall keep control of the meeting and require the speakers and audience to refrain from abusive or profane remarks, disruptive outbursts, applause, protests, or other conduct which disrupts or interferes with the orderly conduct of the business of the meeting. Personal attacks on Councilmembers, City staff, or members of the public are not allowed. It is inappropriate to utilize the public hearing or other agenda item for purposes of making political speeches, including threats of political action. Engaging in such conduct, and failing to cease such conduct upon request of the Mayor, will be grounds for ending a speaker's time at the podium or for removal of any disruptive person from the meeting room, at the direction of the Mayor.
- 5.6 Exhibits, letters, petitions and other documentary items presented or shown to the Council on a public hearing item become part of the record of the public hearing. Eleven collated sets of written or graphic materials should be provided by the speaker prior to the commencement of the hearing to allow for distribution to the Mayor and Council, key City staff, and a copy for the City Clerk to include in the public record of the hearing, whenever possible. Reduced copies (8 ½ x 11 or 8 ½ x 14) of large graphic exhibits should be provided as part of the sets of materials for distribution to the Council, staff, and for the record. This requirement may be waived for signed petitions submitted by neighborhoods or other citizen groups, although these groups also are encouraged to provide eleven sets of petitions where possible.

Adopted \_\_ / \_\_ /97

**GUIDELINES**  
**FOR**  
**CITIZEN COMMENTS**

The “Citizen Comments” portion of the Council agenda provides an opportunity for citizens to bring to the attention of the City Council matters concerning Glendale city government that are not on the agenda of the meeting. **PLEASE FILL OUT A “CITIZEN COMMENTS” SPEAKER CARD AND TURN IT IN TO THE CITY CLERK BEFORE THE START OF THE MEETING.**

Council meetings are conducted in compliance with the Arizona Open Meetings Law. While the Open Meetings Law does not require the agenda to contain an item for “Citizen Comments”, the Council places this item on their agendas to provide this additional opportunity for citizen input to the Council and to City administration. Personal attacks on Councilmembers, City staff, or members of the public are not allowed. It is inappropriate to utilize Citizen Comments for purposes of making political speeches, including threats of political action. All remarks should be addressed to matters of Glendale City business. Depending on the number of items on the Council agenda and the number of “Citizen Comments” cards, the Mayor may establish shorter than the allowed maximum five minute time limit for speakers under “Citizen Comments”. Normal standards of decorum and courtesy should be observed by all speakers. It is within the Mayor’s discretion to cut short the “Citizen Comments” items, even if there are speaker cards remaining.

As provided by the Open Meetings Law, the Council cannot engage in discussion or take action on matters raised under “Citizen Comments”, unless an actual emergency exists. Council may refer the matter to the City Manager for follow-up. If City Council consideration is needed on an item, the Open Meetings Law will require the matter to be properly noticed as an item on a future Council meeting agenda.

At the Podium, please state your name and address for the record; then present your comments. As a courtesy to others, please be brief in your comments and refrain from being repetitive of the remarks made by previous speakers. Large groups may designate a spokesperson.

Thank you for your interest in Glendale City government.

**GUIDELINES**  
**FOR**  
**PUBLIC HEARING ITEMS**

Public hearings are held on certain items on the Council agenda, such as zoning cases and liquor license applications. **PLEASE FILL OUT A PUBLIC HEARING SPEAKER CARD AND TURN IT IN TO THE CITY CLERK BEFORE THE AGENDA ITEM IS CALLED ON WHICH YOU INTEND TO SPEAK.**

The public hearing provides an opportunity for citizens to provide input to the City Council on the matter noticed for hearing prior to Council making a decision on the agenda item. The public hearing is for the public to give input to the Council; it is not a debating session between the Council and the speaker. Questions may be asked by the Council to clarify the speaker's position or comments.

Personal attacks on Councilmembers, City staff, or members of the public are not allowed. It is inappropriate to utilize the public hearing or other agenda item for purposes of making political speeches, including threats of political action. All remarks should be addressed to the matter which has been listed on the agenda and noticed for hearing. Depending on the number of items on the Council agenda and the number of speaker cards submitted, the Mayor may establish shorter than the allowed maximum five minute time limit for speakers under public hearing items. Normal standards of decorum and courtesy should be observed by all speakers. Speakers' remarks should be pertinent to the matter being heard.

At the Podium, please state your name and address for the record; then present your comments. As a courtesy to others, please be brief in your comments and refrain from being repetitive of the remarks made by previous speakers. Large groups may designate a spokesperson. The City Council needs and wants your viewpoint, as well as that of as many other Glendale citizens as possible, to aid it in its deliberations. The most effective and useful comments are those which focus directly on the issues under consideration and which may even offer possible solutions or alternatives.

Thank you for your interest in Glendale City government.

ORDINANCE NO. 1743 NEW SERIES

AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AMENDING THE CODE OF THE CITY OF GLENDALE, CHAPTER 2, ARTICLE II, SECTION 2-16, CONCERNING THE NUMBER OF REGULAR COUNCIL MEETINGS AND TIMES; AND DECLARING AN EMERGENCY.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

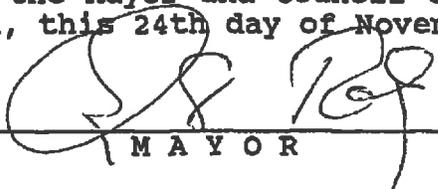
SECTION 1. That the Code of the City of Glendale, Chapter 2, Article II, Section 2-16 is hereby amended to read as follows:

Sec. 2-16. Regular meeting, date, time, etc.

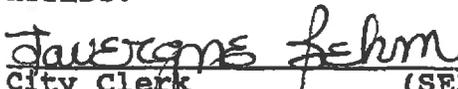
The city council shall meet regularly two (2) times each month and such regular meetings of the city council shall be held at 7:00 p.m. on the second and fourth Tuesday nights of each month, unless the council by a majority vote at a prior meeting changes the meeting night. If the council meeting night falls on a legal holiday, Christmas Eve or on New Year's Eve, the council shall meet on the next succeeding legal day at the time aforesaid.

SECTION 2. Whereas the immediate operation of the provisions of this Ordinance is necessary for the preservation of the public peace, health, and safety of the City of Glendale, an emergency is hereby declared to exist, and this Ordinance shall be in full force and effect from and after its passage, adoption, and approval by the Mayor and Council of the City of Glendale, and it is hereby exempt from the referendum provisions of the Constitution and the laws of the State of Arizona.

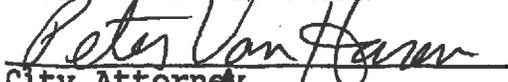
PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this 24th day of November, 1992.

  
MAYOR

ATTEST:

  
City Clerk (SEAL)

APPROVED AS TO FORM:

  
City Attorney

REVIEWED BY:

  
City Manager

PUBLISHED: THE GLENDALE STAR  
November 27, 1992

POSTED: November 20, 1992

**Sec. 2-16. - Regular meeting, date, time, etc.**

The city council shall meet regularly two (2) times each month and such regular meetings of the city council shall be held at 7:00 p.m. on the second and fourth Tuesday nights of each month, unless the council by a majority vote at a prior meeting changes the meeting night. If the council meeting night falls on a legal holiday, Christmas Eve or New Year's Eve, the council shall meet on the next succeeding legal day at the time aforesaid.

*(Code 1963, § 2-2; Ord. No. 1198, § 1, 4-27-82; Ord. No. 1537, § 1, 4-12-88; Ord. No. 1743, § 1, 11-24-92)*

*Charter reference— Council meetings generally, Art. II, § 13.*

**Sec. 2-17. - Special meetings.**

The mayor may, or at the request of three (3) members of the council shall, by giving notice thereof to all members of the council then in the city, call a special meeting of the council for a time not earlier than three (3) hours nor later than forty-eight (48) hours after the notice is given. Special meetings of the council may also be held at any time by the common consent of all the members of the council.

*(Code 1963, § 2-3)*

*State law reference— Notice of special meetings, A.R.S. § 38-431.02.*

**Sec. 2-18. - Meeting place.**

The place for all meetings of the council shall be the Glendale Council Chambers.

*(Code 1963, § 2-4)*



# CITY COUNCIL REPORT

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Meeting Date: **2/5/2013**  
Meeting Type: **Workshop**  
Title: **CITY MANAGER RECRUITMENT**  
Staff Contact: **Jim Brown, Interim Executive Director, Human Resources and Risk Management**

## **Purpose and Policy Guidance**

This is a request for City Council to review and provide guidance to city staff on the selection of a professional executive search firm for the City Manager recruitment.

## **Background Summary**

The former City Manager retired from the City of Glendale on June 8, 2012. Council took action to appoint an Acting City Manager on June 12, 2012.

The Glendale City Charter provides for the appointment of the city manager. The Charter states:

### Art. III, Sec. 1. Appointment of City Manager

The council shall appoint an officer of the city who shall have the title of City Manager and shall have the powers and perform the duties provided in this charter. No councilman shall receive such appointment during the term for which he shall have been elected, nor within one (1) year after the expiration of this term.

### Art. III, Sec. 2. The City Manager; qualifications

The City Manager shall be chosen by the Council solely on the basis of his executive and administrative qualifications with special reference to his actual experience in, or his knowledge of, accepted practice in respect to the duties of his office as hereinafter set forth. At the time of his appointment, he need not be a resident of the city or state, but during this tenure of office he shall reside within the city.

## **Previous Related Council Action**

At the November 27, 2012 voting meeting, Council adopted Ordinance No. 2825 New Series to establish an Ad-Hoc City Manager recruitment committee. The committee was composed of seven members including the Mayor-elect, Councilmembers and Councilmembers-elect who will be serving after the installation in January 2013.

At the November 20, 2012 Workshop, Council requested an establishment of a committee to oversee the recruitment process of a city manager.



# CITY COUNCIL REPORT

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At the June 12, 2012 Council meeting, Council discussed the process and selection of the new city manager and that the process should be undertaken by the Councilmembers, Mayor-elect and Councilmembers-elect who will be serving after the installation in January 2013. Council suggested that a committee be formed to decide how to proceed with the search. Council took action to appoint an Acting City Manager on June 12, 2012.

## **Budget and Financial Impacts**

The costs of an internal or external recruitment for a City Manager are not a budgeted item and will be funded by the City Manager's Office in a yet-to-be-determined account.

## **Attachments**

Staff Report

Executive Search Firm List

Search Firm Proposals

Power Point Presentation



# STAFF REPORT

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To: **Horatio Skeete, Acting City Manager**  
From: **Jim Brown, Interim Executive Director, Human Resources and Risk Management**  
Item Title: **CITY MANAGER RECRUITMENT**  
Requested Council Meeting Date: **2/5/2013**  
Meeting Type: **Workshop**

## **PURPOSE**

The purpose of this report is to request the Interim Executive Director of Human Resources and Risk Management facilitate the discussion on the selection of a professional executive search firm for the recruitment of the City Manager.

## **BACKGROUND**

Recruitment and selection of a City Manager is of the utmost importance to the City Council, the city and the Glendale community. The City Council requested staff to provide a list of eligible external professional executive search firms in order to select one firm for the recruitment of the City Manager. The Human Resources and Risk Management Department has done an analysis of the top executive search firms for the City Manager process. The analysis includes general scope of work, the cost associated with the recruitment, reference checks and timeframe within which the recruitment can be completed.

### **Scope of Work and Timeframe**

Each firm follows its own process for recruitment; however, in general, the scope of work will include the following:

- Developing a Candidate Profile
- Advertising Campaign and Recruiting Brochure
- Recruiting Candidates
- Candidate Interviews and Evaluation
- Referencing Top Candidates
- Recommendation
- Final Interviews and Background Checks
- Negotiations

Depending on the firm selected and their process, the City Manager recruitment could take anywhere from three to five months to successfully complete.



# STAFF REPORT

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## **ANALYSIS**

### Selection of External Recruiter

The Human Resources and Risk Management Department has conducted an analysis on executive search firms that specialize in City Manager recruitments. Based on the information gathered in this process, the following three firms are being recommended to the City Council:

#### **Bob Murray & Associates:**

Bob Murray is a former City Manager and also has over 25 years of experience as a recruiter. He has worked with large municipalities such as San Diego, Portland, Seattle, and Los Angeles. Mr. Murray has successfully conducted recruitments for the City of Glendale. Those recruitments include the Utilities Director, Police Chief, and Assistant Police Chief, positions. He also conducted the City Manager recruitment for the City of Phoenix and according to the Phoenix Human Resources Department, they were very pleased with the services they received from him. Bob Murray & Associates is based in Roseville, California.

The professional fee to utilize Bob Murray & Associates for this process is \$19,500 and an additional \$8,500 for expenses for a total cost of approximately \*\$28,000.

#### **The Mercer Group:**

Jim Mercer has over 25 years of experience as a recruiter and has worked with Glendale in the past on Glendale's Assistant City Manager process. Jim worked well with the city on this process and brought in several highly qualified candidates and the placement was made in a timely fashion. Jim has also worked with other cities such as Goodyear, Arizona and Fountain Hills, Arizona for their City Manager recruitment and is well known in this industry. The Mercer Group is based in Santa Fe, New Mexico and has a local representative in Arizona.

The professional fee to utilize the Mercer Group for this process is \$16,500 and an additional \$8,000 for expenses for a total cost of approximately \*\$24,500.

#### **Slavin Management Consultants, Inc.:**

Robert Slavin is a former Assistant City Manager and Director of Human Resources for the City of Beverly Hills, California. He has over 25 years of experience in executive recruitments and has successfully conducted recent City Manager searches in Aurora, Colorado; Corpus Christi, Texas; and Iowa City, Iowa. Slavin Management Consultants, Inc. is based in the Atlanta, Georgia area and has a local representative in Arizona.



## STAFF REPORT

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The professional fee to utilize Slavin Management Consultants, Inc. is \$14,020 and an additional \$7,711 for expenses for a total cost of approximately \*\$21,731.

\*Regardless of which firm is selected to conduct the recruitment, additional costs to the process will include candidate travel expenses.

### **FISCAL IMPACTS**

The cost of the recruitment for a new City Manager is not a budgeted item and will be funded by the City Manager's Office in a yet-to-be-determined account. The total fiscal impact will be estimated not to exceed \$33,000.

# Executive Search Firms

## City Manager Recruitment

### Avery and Associates

**\$25,000 total cost**

**\$18,500 professional fee & expenses not to exceed \$6,500; excludes candidate travel expenses**

Contact: Paul Kimura and Bill Avery co-leading /Email: paulk@averyassoc.net & Bill@averyassoc.net

*Note: contact either Paul or Jackie Collins (jackiec@averyassoc.net) to request they provide a full proposal*

408-399-4424 main line in Los Gatos, CA/Fax: 408.399.4423/Website: www.averyassoc.net

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### Bob Murray & Associates

**\$28,000 total cost**

**Cost break out: \$19,500 professional fee & \$8,500 expenses; excludes candidate travel expenses**

Contact: Bob Murray 916-784-9080

*Conducted City of Glendale's Utilities Director, Police Chief, Assistant Police Chief, and Assistant HR Director recruitments*

*Conducted City of Phoenix's City Manager recruitment*

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### CPS Executive Search

**\$22,500 - \$24,000 total cost**

**Cost break out: \$16,500 professional fee & \$6,000 – \$7,500 expenses; although generally excluded, the total cost could include candidate travel depending upon advertising variables/costs** *Note: Pam Derby mentioned she is able to get discounted travel rates via State of CA umbrella & in the past has been able to use budget judiciously to accrue some savings on advertising to book/include travel in exec recruitments*

Contact: Stuart Satow 916-263-1401

*Conducted City of Glendale's Deputy City Manager and Assistant Police Director recruitments*

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### The Mercer Group

**\$24,500 total cost** *(could be further reduced – see note below)*

**Cost break out: \$16,500 professional fee** *(note: previous client discount reduced fee from \$16,500) & \$8,000 expenses* *(note: amount could be reduced - there is an AZ office & J. Mercer is located in NM which reduces travel expenses); excludes candidate travel expenses*

Contact: Jim Mercer

505-660-7725 (cell) or 770-551-0403 (office)

*Conducted City of Glendale's Assistant City Manager recruitment*

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### Peckham and McKenney

**\$26,000 total cost**

**Cost break out: \$18,500 professional fee & expenses not to exceed \$7,500; excludes candidate travel expenses**

Contact: Bobbi Peckham 916-730-2014 cell, email: bobbi@peckhamandmckenney.com

916-391-2233 main line in Sacramento/Website: www.peckhamandmckenney.com

**Slavin Management Consultants, Inc.**

**\$21,731 total cost**

**Cost break out: \$14,020 professional fee & \$7,711 expenses; excludes candidate travel expenses**

Contact: Paul Lienberg 480-664-2676 (working with Bob Slavin), email: pwconsulting@cox.net

770-449-4656 main line in Atlanta/Fax: 770-416-0848/Email: slavin@bellsouth.net

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**Waters/Oldani Executive Recruitment**

**\$23,500 total cost**

**Cost break out: all expenses included; excludes candidate travel expenses**

Contact: Chuck Rohre 214-466-2436 (direct line) or 972-481-1950 (main)

*Has not conducted any recent recruitments for City of Glendale*

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**Baenziger and Associates, Wellington, FL**

**\$21,500, excluding candidate travel expense**

Average placement is 88 days

Contact: Colin Baenzinger, 561.707.9537

Worked with Tacoma, WA; Portland, ME; Greenville, NC; Scottsdale, AZ



A PROPOSAL TO CONDUCT AN EXECUTIVE  
RECRUITMENT FOR A  
City Manager  
ON BEHALF OF THE  
City of Glendale

GLENDALÉ

1677 Eureka Road, Suite 202  
Roseville, CA 95661  
(916) 784-9080  
(916) 784-1985 fax  
[apply@bobmurrayassoc.com](mailto:apply@bobmurrayassoc.com)

January 31, 2013

Mayor Jerry Weiers and the City Council  
City of Glendale  
5850 West Glendale Avenue  
Glendale, AZ 85301

Via email to: [jwbrown@glendaleaz.com](mailto:jwbrown@glendaleaz.com)

Dear Mayor Weiers and City Council Members:

Thank you for inviting Bob Murray & Associates to submit a proposal to conduct the City Manager recruitment for the City of Glendale. The following proposal details our qualifications and describes our process of identifying, recruiting and screening outstanding candidates on your behalf. It also includes a proposed budget, timeline, guarantee and sample recruitment brochure.

At Bob Murray & Associates, we pride ourselves on providing quality service to local governments. We have created a recruitment process that combines our ability to help you to determine the direction of the search and the types of candidates you seek with our experience recruiting outstanding candidates who are not necessarily looking for a job. Our proven expertise ensures that the candidates we present for your consideration will match the criteria you have established and will be outstanding in their field.

With respect to the City Manager recruitment, Bob Murray & Associates offers the following expertise:

- Bob Murray & Associates' experience in the State of Arizona is diverse and will be an asset when presenting opportunities to prospective candidates. We are familiar with the City of Glendale, having previously completed recruitments for your Police Chief, Assistant Police Chief, and Assistant Human Resources Director. We are currently conducting the Chief Innovation Executive and Community and Economic Development Director recruitments on behalf of the City of Phoenix and the Police Chief recruitment on behalf of the City of Casa Grande. We recently completed searches on behalf of the cities and towns of Gilbert (City Attorney, outreach only); Peoria (Police Chief, Fire Chief, and Community Services Director); and Tucson (Chief Information Officer and City Manager). Our other experience in the state includes conducting recruitments on behalf of the cities of Apache Junction, Chandler, Mesa, Peoria, and Scottsdale. We also conducted the Executive Director recruitment on behalf of the Arizona Municipal Water Users Association. Our knowledge of your state, its issues, and its outstanding quality of life will be an asset in presenting this opportunity to prospective candidates.
- We have over 25 years of experience and an unmatched record of success in recruiting local government professionals. Bob Murray & Associates has conducted over 800 recruitments for local government professionals throughout the United States and has placed over 200 City Managers. We are currently conducting City Manager recruitments on behalf of the cities of Concord, El Monte, Marina, and Ventura, CA. In the past

three years, we have placed City Managers in the cities of Phoenix and Tucson, AZ; Arvada and Centennial, CO; Fort Lauderdale and Miami Beach, FL; and Kirkland, WA, as well as the California cities of Arcadia, Atherton, Calistoga, Chino, Chowchilla, Coronado, Escalon, Fortuna, Laguna Beach, Lake Elsinore, Loomis, Menifee, Monrovia, Montebello, Monterey Park, Mountain View, Patterson, Pittsburg, Rancho Santa Margarita, Roseville, San Carlos, San Marcos, San Pablo, San Rafael, Santa Paula, Santa Rosa, South Gate, South Lake Tahoe, St. Helena, Temple City, Turlock, Walnut Creek, and Woodland. For a complete list of our previous City Manager placements, please see the attached "Client List Since 2000." Our extensive contacts and knowledge of outstanding candidates will ensure you have a quality group of finalists from which to select the City of Glendale's next City Manager.

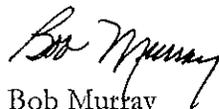
- Bob Murray & Associates has a national reputation for conducting quality searches that result in the placement of candidates ideally suited to our clients' needs. Our success is directly related to our ability to develop a partnership with the Mayor and City Council and design effective recruitment strategies specific to your needs. Additionally, we have assisted many of our clients in designing inclusive recruitment and selection processes. Should the Mayor and Council so desire, we can recommend methods of including staff and community members at various stages in the recruitment, including development of the candidate profile and the final interview process.

A significant portion of our process focuses on conducting thorough and confidential background investigations of the top 2-3 candidates to ensure that nothing about them is left undiscovered. We have candid discussions with references who have insight into the candidate's experience, style and ethics; conduct a search of newspaper articles; and run credit, criminal and civil records reports. This ensures that the chosen candidate will not only be an excellent fit with the City of Glendale, but also that the selected candidate will reflect positively upon your organization.

To learn first hand of the quality of our service and our recruitment successes, we invite you to contact the references listed on page 9 of the attached proposal.

We look forward to your favorable consideration of our qualifications. Please do not hesitate to contact us at (916) 784-9080 should you have any questions.

Sincerely,



Bob Murray  
President

Bob Murray & Associates

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## **THE RECRUITMENT PROCESS**

Bob Murray & Associates' unique and client oriented approach to executive search will ensure that the City of Glendale has quality candidates from which to select the new City Manager. Outlined below are the key steps in our recruitment process.

### **STEP 1 DEVELOPING THE CANDIDATE PROFILE**

Our understanding of the City of Glendale's needs will be key to a successful search. We will work with the Mayor and City Council to learn as much as possible about the organization's expectations for a new City Manager. If desired by the Mayor and Council, we can design a process to allow for the input of community members or other stakeholders in this step of the process. We want to learn the values and culture of the organization, as well as understand the current issues, challenges and opportunities that face the City of Glendale. We also want to know the Mayor and City Council's expectations regarding the knowledge, skills and abilities sought in the ideal candidate and will work with the City to identify expectations regarding education and experience. Additionally, we want to discuss expectations regarding compensation and other items necessary to complete the successful appointment of the ideal candidate. The profile we develop together at this stage will drive subsequent recruitment efforts.

### **STEP 2 ADVERTISING CAMPAIGN AND RECRUITMENT BROCHURE**

After gaining an understanding of the City of Glendale's needs, we will design an effective advertising campaign appropriate for the City Manager recruitment. We will focus on professional journals that are specifically suited to the City Manager search. We will also develop a professional recruitment brochure on the Mayor and City Council's behalf that will discuss the community, organization, position and compensation in detail. Once completed, we will mail the profile to an extensive audience, making them aware of the exciting opportunity with the City of Glendale.

### **STEP 3 RECRUITING CANDIDATES**

After cross-referencing the profile of the ideal candidate with our database and contacts in the field, we will conduct an aggressive outreach effort, including making personal calls to prospective applicants, designed to identify and recruit outstanding candidates. We recognize that the best candidate is often not looking for a new job and this is the person we actively seek to convince to become a candidate. Aggressively marketing the City Manager position to prospective candidates will be essential to the success of the search.

### **STEP 4 SCREENING CANDIDATES**

Following the closing date for the recruitment, we will screen the resumes we have received. We will use the criteria established in our initial meetings as a basis upon which to narrow the field of candidates.

#### STEP 5 PERSONAL INTERVIEWS

We will conduct personal interviews with the top 10 to 12 candidates with the goal of determining which candidates have the greatest potential to succeed in your organization. During the interviews we will explore each candidate's background and experience as it relates to the City Manager position. In addition, we will discuss the candidate's motivation for applying for the position and make an assessment of his/her knowledge, skills and abilities. We will devote specific attention to establishing the likelihood of the candidate's acceptance of the position if an offer of employment is made.

#### STEP 6 PUBLIC RECORD SEARCH

Following the interviews, we will conduct a review of published articles for each candidate. Various sources will be consulted including Lexis-Nexis™, a newspaper/magazine search engine, Google, and local papers for the communities in which the candidates have worked. This alerts us to any further detailed inquiries we may need to make at this time.

#### STEP 7 RECOMMENDATION

Based on the information gathered through meetings with your organization and personal interviews with candidates, we will recommend a limited number of candidates for your further consideration. We will prepare a detailed written report on each candidate that focuses on the results of our interviews and public record searches. We will make specific recommendations, but the final determination of those to be considered will be up to you.

#### STEP 8 FINAL INTERVIEWS

Our years of experience will be invaluable as we help you develop an interview process that objectively assesses the qualifications of each candidate. We will adopt an approach that fits your needs, whether it is a traditional interview, multiple interview panel or assessment center process. We will provide you with suggested interview questions and rating forms and will be present at the interview/assessment center to facilitate the process. Our expertise lies in facilitating the discussion that can bring about a consensus regarding the final candidates. We would also be happy to design an interview process that allows for the participation of community members or other stakeholders, while ensuring that the Mayor and City Council retain decision-making authority.

We will work closely with your staff to coordinate and schedule interviews and candidate travel. Our goal is to ensure that each candidate has a very positive experience, as the manner in which the entire process is conducted will have an effect on the candidates' perception of your organization.

## **STEP 9 BACKGROUND CHECKS /DETAILED REFERENCE CHECKS**

Based on final interviews we will conduct credit, criminal, civil litigation and motor vehicle record checks for the top one to three candidates. In addition, those candidates will be the subjects of detailed, confidential reference checks. In order to gain an accurate and honest appraisal of the candidates' strengths and weaknesses, we will talk candidly with people who have direct knowledge of their work and management style. We will ask candidates to forward the names of their supervisors, subordinates and peers for the past several years. Additionally, we make a point of speaking confidentially to individuals who we know have insight into a candidate's abilities, but who may not be on their preferred list of contacts. At this stage in the recruitment we will also verify candidates' degrees.

## **STEP 10 NEGOTIATIONS**

We recognize the critical importance of successful negotiations and can serve as your representative during this process. We know what other organizations have done to put deals together with great candidates and will be available to advise you regarding current approaches to difficult issues such as housing and relocation. We will represent your interests and advise you regarding salary, benefits and employment agreements with the goal of putting together a deal that results in the appointment of your chosen candidate. Most often we can turn a very difficult aspect of the recruitment into one that is viewed positively by both you and the candidate.

## **STEP 11 COMPLETE ADMINISTRATIVE ASSISTANCE**

Throughout the recruitment we will provide the Mayor and City Council with updates on the status of the search. We will also take care of all administrative details on your behalf. Candidates will receive personal letters advising them of their status at each critical point in the recruitment. In addition, we will respond to inquiries about the status of their candidacy within twenty-four hours. Every administrative detail will receive our attention. Often, candidates judge our clients based on how well these details are handled.

## BUDGET AND TIMING

### PROFESSIONAL FEE AND EXPENSES

The consulting fee for conducting the City Manager recruitment on behalf of the City of Glendale is \$\$19,500 plus expenses. Services provided for in the fee consist of all steps outlined in this proposal including three (3) days of meetings on site. Should the City desire additional on-site meetings, we would be happy to discuss the additional charge for consulting fees and expenses.

The City of Glendale will be responsible for reimbursing expenses Bob Murray & Associates incurs on your behalf. We estimate expenses for this project to be \$8,500. Reimbursable expenses include such items as the cost of recruiter travel; clerical support; placement of ads; credit, criminal and civil background checks; education verification; and public records searches. In addition, postage, printing, photocopying, and telephone charges will be allocated.

### TIMING

We are prepared to start work on this assignment immediately; the timeline below is reflective of our typical recruitment schedule but is flexible. If the City requires a more aggressive timeline, we would be able to shorten the timeline to three months.

Task:	Week:
Contract Start Date:	TBD
Initial Meeting(s):	1 week from contract start date
Our firm develops recruitment brochures:	2 weeks from contract start date
City approves brochures:	4 weeks from contract start date
Job advertising and candidate sourcing:	8 weeks from contract start date
Our firm reviews application packets:	9 weeks from contract start date
Our firm conducts screening process:	10 weeks from contract start date
City approves candidates:	12 weeks from contract start date
City's interview panel convenes:	13 weeks from contract start date
Reference/Background Checks:	14 weeks from contract start date
Second Interviews by City, if necessary:	15 weeks from contract start date
Offer of Employment:	16 weeks from contract start date

### GUARANTEE

We guarantee that should the selected candidate be terminated within the first year of employment we will conduct the search again at no cost (with the exception of expenses) to the City of Glendale. We are confident in our ability to recruit outstanding candidates and do not expect the City of Glendale to find it necessary to exercise this provision of our proposal.

## PROFESSIONAL QUALIFICATIONS

### BOB MURRAY, PRESIDENT

Mr. Murray brings over 25 years experience as a recruiter. Mr. Murray is recognized as one of the nation's leading recruiters. He has conducted hundreds of searches for cities, counties, and special districts. He has been called on to conduct searches for some of the largest most complex organizations in the country and some of the smallest. Mr. Murray has conducted searches for chief executives, department heads, professional and technical positions. Mr. Murray has taken the lead on the firm's most difficult assignments with great success. His clients have retained him again and again given the quality of his work and success in finding candidates for difficult to fill positions.

Prior to creating Bob Murray & Associates, Mr. Murray directed the search practice for the largest search company serving local government in the country. Mr. Murray has worked in local government and benefits from the knowledge of having led an organization. Prior to his career in executive search he served as the City Manager for the City of Olympia, Washington. He has also served as an Assistant City Manager and held positions in law enforcement.

Mr. Murray received his Bachelor's of Science Degree in Criminology from the University of California at Berkeley with graduate studies in Public Administration at California State University at Hayward.

### REGAN WILLIAMS, VICE PRESIDENT

Mr. Williams brings 30 years of local government experience to Bob Murray & Associates. Most recently, he worked as a private consultant with Deloitte and Touche on various public sector assignments. Prior to that, he served as Director of Public Safety with the City of Sunnyvale, CA.

Mr. Williams was involved in the development of some of Sunnyvale's most innovative programs and has a national reputation for excellence in law enforcement. He has been responsible for numerous recruitments throughout his career. Clients find his insight and expertise in recruitment and selection a valuable asset.

Mr. Williams received his Bachelor's of Science Degree in Administration of Justice from San Jose State University. He is also a graduate of the FBI National Academy.

#### **DIONYSIA SMITH, VICE PRESIDENT**

Ms. Smith brings 24 years of public sector experience in local government and management consulting to Bob Murray & Associates. Her experience includes working for a transit district, a city, and a quasi government/private consulting firm providing consulting services in all areas of human resources. Ms. Smith has been the lead recruiter for a variety of senior level positions with both the public and the private sector. She has been asked to handle the most critical searches on behalf of her clients, and has been asked to develop recruitment strategies for hard-to-fill positions with several organizations. Having worked both in the private and public sector, Ms. Smith brings a creative, innovative approach to developing customized approaches to meeting her clients' needs. Her experience will be of great value to Bob Murray & Associates' clients.

Ms. Smith received her Bachelor of Science degree in Organizational Behavior and Master's of Public Administration degree from the University of San Francisco.

#### **S. RENEE NARLOCH, VICE PRESIDENT**

S. Renee Narloch is the Director of our East Coast practice located in Tallahassee, Florida. Ms. Narloch has extensive experience in public sector recruitments nationwide. She was formerly employed by a large, national search firm as a Senior Recruiter with sole responsibility for the firm's executive search practice in the Southeastern, Mid-Atlantic and Mid-Western states.

Ms. Narloch has 15 years of experience in Executive Recruitment and has been involved in over 400 national searches. Prior to her recruitment career, she was a Senior Consultant for a national search firm's cost plan and revenue enhancement divisions, serving public sector clients nationwide. She also worked for three Fortune 500 companies in their sales, marketing and financial accounting divisions. Ms. Narloch is responsible for all facets of recruitment including serving as lead consultant with project management responsibilities, recruiting candidates, conducting preliminary interviews and detailed reference inquires, and assisting clients in final interviews and negotiations. As Director of the East Coast Office, Ms. Narloch provides expertise in public sector recruitment, enabling us to better serve clients nationwide.

Ms. Narloch received her Bachelor's of Arts degree in Information Studies, summa cum laude, at the Florida State University, Tallahassee, Florida.

**AMANDA URRUTIA-SANDERS, PRINCIPAL CONSULTANT**

As a Principal Consultant with Bob Murray & Associates, Ms. Urrutia-Sanders is responsible for research, candidate recruitment and screening, as well as reference checks and background verifications. She focuses on client communication and works closely with clients to coordinate candidate outreach and ensure a successful search.

Ms. Urrutia-Sanders brings several years of industry experience as she worked for one of the nation's largest recruitment firms. Her insight into the recruitment process is a valuable asset to Bob Murray & Associates.

Ms. Urrutia-Sanders received her Bachelor's of Arts degree in Communications from the University of Wyoming.

**SARAH KENNEY, SENIOR CONSULTANT**

As Senior Consultant with Bob Murray & Associates, Ms. Kenney is responsible for the development and distribution of recruitment materials, candidate research and interview coordination, compilation and development of interview materials, reference checks, and background verifications.

Ms. Kenney brings over a decade of client service and management experience to Bob Murray & Associates. Her focus is customer service, and she works closely with our clients and candidates to ensure all parties involved are satisfied with every step of recruitment at our firm.

Ms. Kenney received her Bachelor of Arts degree in Psychology from the University of California at Davis.

**ROSA GOMEZ, ADMINISTRATIVE MANAGER**

Ms. Rosa Gomez is the Administrative Manager at Bob Murray & Associates. Ms. Gomez is the first point of contact at Bob Murray & Associates and has extensive administrative experience.

Ms. Gomez is known for her personal approach as she works closely with clients and candidates alike to ensure a successful search. As the first point of contact for Bob Murray & Associates Ms. Gomez's professional approach is of the highest caliber.

**BOB MURRAY & ASSOCIATES**  
**CLIENT LIST SINCE 2000**

**CITY MANAGER**

Airway Heights, WA	La Palma, CA
Albany, CA (City Administrator)	Laguna Beach, CA
Albany, OR	Lake Elsinore, CA
Antioch, CA	Lakeport, CA
Apple Valley, CA (Town Manager)	Lancaster, CA
Arcadia, CA	Lathrop, CA
Arcata, CA	Lemon Grove, CA
Arvada, CO	Loomis, CA (Town Manager)
Barstow, CA	Los Alamitos, CA
Benicia, CA	Manteca, CA
Campbell, CA	Marina, CA
Capitola, CA	Martinez, CA
Carmel, CA	Menifee, CA
Castle Rock, CO (Town Manager)	Menlo Park, CA
Centennial, CO	Merced, CA
Chico, CA	Miami Beach, FL
Chino, CA	Millbrae, CA
Chino Hills, CA	Mill Valley, CA
Chowchilla, CA (City Administrator)	Milwaukie, OR
Chula Vista, CA	Monrovia, CA
Claremont, CA	Montebello, CA (City Administrator)
Concord, CA	Monterey Park, CA
Coos Bay, OR	Mountain View, CA
Corcoran, CA	Needles, CA
Corona, CA	Newberg, OR
Coronado, CA	Newcastle, WA
Corte Madera, CA (Town Manager)	Novato, CA
Dixon, CA	Oak Creek, WI (City Administrator)
Dublin, CA	Oakdale, CA
El Monte, CA	Oakley, CA
Elk Grove, CA	Oceanside, CA
Escalon, CA	Ojai, CA
Eugene, OR	Orinda, CA
Fairfield, CA	Pacifica, CA
Fort Lauderdale, FL	Palo Alto, CA
Fortuna, CA	Pasadena, CA
Fremont, CA	Patterson, CA
Goleta, CA	Phoenix, AZ
Grover Beach, CA	Pittsburg, CA
Half Moon Bay, CA	Pico Rivera, CA
Hollister, CA	Pismo Beach, CA
Imperial, CA	Pittsburg, CA
Ione, CA	Poway, CA
Irwindale, CA	Rancho Cordova, CA
Kirkland, WA	Rancho Santa Margarita, CA
La Mesa, CA	Red Bluff, CA

Rio Vista, CA  
Roseville, CA  
Salem, OR  
Salinas, CA  
San Antonio, TX  
San Carlos, CA  
San Clemente, CA  
San Marcos, CA  
San Pablo, CA  
San Rafael, CA  
San Ramon, CA  
Santa Ana, CA  
Santa Paula, CA  
Santa Rosa, CA  
Shoreline, WA  
Sonoma, CA  
South Lake Tahoe, CA  
South Pasadena, CA  
Springfield, OR  
St. Helena, CA  
Stanton, CA  
Stockton, CA  
Temple City, CA  
Thousand Oaks, CA  
Topeka, KS  
Tracy, CA  
Truckee, CA (Town Manager)  
Tualatin, OR  
Tucson, AZ  
Turlock, CA  
Vallejo, CA  
Ventura, CA  
Walnut Creek, CA  
Westminster, CA  
Woodland, CA  
Yuba City, CA

**ASSISTANT/DEPUTY CITY  
MANAGER**

Alameda, CA  
Arlington, TX  
Arvada, CO  
Barstow, CA  
Beverly Hills, CA  
Carlsbad, CA  
Dublin, CA  
Lancaster, CA  
Monterey, CA  
North Las Vegas, NV  
Orange, CA

Pasadena, CA  
Peoria, AZ  
Petaluma, CA  
Pomona, CA  
Rancho Cordova, CA  
Reno, NV  
Rocklin, CA  
San Diego, CA (COO and Asst.  
COO)  
Stockton, CA  
Ventura, CA  
Woodland, CA  
Yuba City, CA

**COUNTY ADMINISTRATOR**

Alachua County, FL (County  
Manager)  
Butte County, CA  
Clackamas County, OR  
Clark County, NV (Assistant)  
Deschutes County, OR  
Marion County, OR  
San Benito County, CA  
Tehama County, CA  
Washington County, OR

**ADMINISTRATIVE SERVICES**

**DIRECTOR**

Garden Grove, CA  
Los Alamitos, CA  
Oakland, CA  
Ontario, CA  
Placer County Water Agency, CA  
Pleasanton, CA  
San Carlos, CA  
Stockton, CA  
Yucca Valley, CA

**ANIMAL SERVICES DIRECTOR**

Oakland, CA  
Rancho Cucamonga, CA  
Sacramento County, CA (Director  
of Animal Care and Regulation)

**AVIATION/AIRPORT**

Big Bear Airport, CA  
Bob Hope Airport, CA  
Clark County, NV-McCarran  
International Airport  
Dallas/Fort Worth, TX

San Jose, CA

**BUILDING**

**OFFICIALS/INSPECTION**

Arroyo Grande, CA

Bakersfield, CA

Centre City Development

Corporation, CA

El Segundo, CA

Grants Pass, OR

Marin County, CA

Modesto, CA

Palo Alto, CA

Sacramento, CA

San Francisco, CA

Stockton, CA

Tehama County, CA

Yuba City, CA

**CITY CLERK**

Central Contra Costa Sanitation

District, CA (Secretary to the  
District)

Chino Hills, CA

Dublin, CA

Fremont, CA

Menlo Park, CA

Monterey County, CA (Clerk to the  
Board)

Napa, CA

Rio Vista, CA

Santa Clara Valley Transportation  
Authority, CA (Board Secretary)

Sunnyvale, CA

**COMMUNITY DEVELOPMENT**

**DIRECTOR**

Benicia, CA

Beverly Hills, CA

Capitola, CA

Chino Hills, CA

Concord, CA

Cotati, CA

Daly City, CA

Dublin, CA

Fremont, CA

Fullerton, CA

Inglewood, CA

Los Banos, CA

Maple Valley, WA

Marin County, CA

Modesto, CA

Moreno Valley, CA

Morgan Hill, CA

Newark, CA

Newcastle, WA

Oakland, CA

Oceanside, CA

Palo Alto, CA (Assistant Director)

Phoenix, AZ

Pleasanton, CA

Redlands, CA

Salem, OR

San Antonio Housing Authority,  
TX

San Carlos, CA

Santa Cruz, CA

Stockton, CA

Sumter County, FL (Development  
Services Director)

Vacaville, CA

Vallejo, CA

Walnut Creek, CA

Yuba City, CA (ACM for  
Development Services)

Yucca Valley, CA

**CONVENTION AND VISITOR'S**

**BUREAU DIRECTOR**

Los Angeles, CA

North Lake Tahoe Visitors Bureau,  
CA

Mammoth Lakes, CA

San Antonio, TX

Steamboat Springs, CO

**ECONOMIC DEVELOPMENT/**

**REDEVELOPMENT**

Broward County, FL

Chula Vista, CA

Concord, CA

Daly City, CA

Fresno, CA

Fullerton, CA

Milpitas, CA

Modesto, CA

Morgan Hill, CA

New Orleans Redevelopment  
Authority, OR

Oakland, CA

Peoria, AZ  
Phoenix, AZ  
Port of Los Angeles, CA  
Port of San Diego, CA  
Redlands, CA  
Roseville, CA  
Sacramento, CA  
Salinas, CA  
San Antonio Housing Authority,  
TX  
Scottsdale, AZ  
Stockton, CA  
Taft, CA  
Tracy, CA  
Upland, CA  
Vancouver, WA

#### ENGINEERING

Bakersfield, CA  
Barstow, CA  
Bob Hope Airport, CA  
Central Contra Costa Sanitary  
District, CA  
Chino Hills, CA  
Clark County, NV – McCarran  
Airport  
Corona, CA  
Damascus, OR  
Dublin San Ramon Services  
District, CA  
Elk Grove, CA  
Imperial Irrigation District, CA  
Los Banos, CA  
Needles, CA  
Nevada County, NV  
Nye County, NV  
Oceanside, CA  
Omnitrans, CA  
Pico Rivera, CA  
Pismo Beach, CA  
Pomona, CA  
Richmond, CA  
Reno, NV  
Stockton, CA  
San Luis Obispo County,  
Nacimiento Project, CA  
South Pasadena, CA  
Tiburon, CA  
Tracy, CA

#### EXECUTIVE DIRECTOR

Association of Monterey Bay Area  
Governments, CA  
Arizona Municipal Water Users  
Association, AZ  
Bay Area Air Quality Management  
District, CA  
Broward County, FL (Port  
Everglades Chief Executive/Port  
Director)  
California Peace Officers  
Association, CA  
California State Association of  
Counties, CA  
California School Boards  
Association, CA  
Central Contra Costa Solid Waste  
Authority, CA  
Chula Vista Redevelopment  
Agency, CA  
Early Learning Coalition of  
Broward County, Inc (CEO)  
Elk Grove-Rancho Cordova-El  
Dorado Connector JPA, CA  
El Paso Water Utilities-Public  
Service Board, TX  
(President/CEO)  
Florida Public Transportation  
Association (FPTA), FL  
Housing Authority of the City of  
Austin, TX (President/CEO)  
Housing Authority of the City of  
Los Angeles, CA  
Housing Authority of the County  
of Butte, CA  
Housing Authority of the County  
of Santa Cruz, CA  
Hub Cities Consortium, CA  
Kings Community Action  
Organization, CA  
Mammoth Lakes Visitors Bureau,  
CA  
March Joint Powers Authority, CA  
Metro, Portland, OR  
Oregon Cascades West Council of  
Governments, OR  
Palos Verdes Library District, CA  
Sacramento Area Flood Control  
Agency, CA (Executive & Deputy)

San Bernardino Associated  
Governments, CA  
San Diego Association of  
Governments, CA  
Children's Board of Hillsborough  
County (Executive Director)  
Louisiana Housing Corporation  
(Executive Director)  
San Francisco Estuary Institute, CA  
San Joaquin Council of  
Governments, CA  
Santa Clara Valley Water District,  
CA (CEO)  
SOS Children's Villages – Florida  
(CEO)  
South Bayside Waste Management  
Authority, CA  
Southern California Association of  
Governments (Deputy)  
Housing Authority of the City of  
Stamford d/b/a Charter Oak  
Communities (Executive  
Director/COO)  
Vancouver Housing Authority, WA  
(Executive & Deputy)  
West Contra Costa Integrated  
Waste Management District, CA  
West Contra Costa Transportation  
Advisory Committee, CA  
Yolo Emergency Communications  
Agency, CA

#### FINANCIAL

Alameda County Congestion  
Management Agency, CA  
Aurora, CO  
Baldwin Park, CA  
Barstow, CA  
Boulder, CO  
Boulder City, NV  
Calaveras County Water District,  
CA  
Campbell, CA  
Chino Hills, CA  
Clark County, NV  
Corona, CA  
Cotati, CA  
Damascus, OR  
D.C. Government, DC

East Bay Municipal Utility District,  
CA  
Elk Grove, CA  
Grants Pass, OR  
Half Moon Bay, CA  
Healdsburg, CA  
Hercules, CA  
Housing Authority of the City of  
Los Angeles, CA  
Imperial Beach, CA  
Imperial Irrigation District, CA  
Inglewood, CA  
Ione, CA  
Lancaster, CA  
Los Altos, CA  
McCarran International Airport-  
Clark County, NV  
Menlo Park Fire Protection  
District, CA  
Modesto, CA  
Norfolk, VA (Assistant Director)  
Oakland, CA  
Palmdale Water District, CA  
Pleasanton, CA  
Sacramento County, CA  
San Carlos, CA  
San Diego, CA  
San Francisco, CA  
San Leandro, CA  
San Jose, CA  
Santa Monica, CA  
Sparks, NV  
Stockton, CA  
Thornton, CO  
Union City, CA  
Wayne County, MI  
West Hollywood, CA  
West Wendover, NV  
White Pine County, NV  
Yolo County, CA

#### FIRE CHIEF

Alameda, CA  
Arroyo Grande (Director of  
Building & Fire)  
Aurora, CO  
Chino Valley Independent Fire  
District, CA  
Chula Vista, CA  
Eugene, OR

Fremont, CA  
Folsom, CA  
Fullerton, CA  
Glendale, CO  
Hillsboro, OR  
Lodi, CA  
Livermore – Pleasanton Fire  
District, CA  
Milpitas, CA  
Monrovia, CA  
Montebello, CA  
Mountain View, CA  
Newark, CA (Assistant & Chief)  
Oceanside, CA  
Peoria, AZ  
Petaluma, CA  
Piedmont, CA  
Poudre Fire Authority, CO  
Rancho Cucamonga, CA (Deputy  
& Chief)  
Rancho Santa Fe Fire Protection  
District, CA  
Sacramento County, CA  
Salinas, CA  
San Mateo, CA  
San Miguel Fire Protection District,  
CA  
Santa Cruz, CA  
Sonoma Valley Fire & Rescue  
Authority, CA  
Sumter County, FL  
Sunnyvale, CA (Public Safety  
Director)  
University of California, Davis  
Union City, CA (Assistant & Chief)  
Upland, CA  
Vacaville, CA  
Walla Walla, WA

**GENERAL MANAGER**

Big Bear City Community Services  
District, CA  
Calaveras County Water District,  
CA  
Central Contra Costa Sanitation  
District, CA  
Central Marin Sanitation Agency,  
CA  
Coachella Valley Mosquito Vector  
Control District, CA

Cordova Recreation and Park  
District, CA (District  
Administrator)  
East Bay Dischargers Authority,  
CA  
Fallbrook Public Utilities District,  
CA  
Hilton, Famkopf, and Hobson  
LLC, CA  
Joshua Basin Water District, CA  
Jurupa Community Services  
District, CA  
Kennewick Irrigation District, WA  
(District Manager)  
Los Angeles Convention Center,  
CA  
Monterey Peninsula Regional Park  
District, CA  
Monterey Regional Waste  
Management District, CA  
Monterey Regional Water Pollution  
Control Agency, CA (Assistant)  
Oro Loma Sanitary District, CA  
Public Agency Risk Sharing  
Authority of California, CA  
Pleasant Valley Recreation & Park  
District, CA  
Reclamation District 1000, CA  
(District Engineer)  
Ross Valley Sanitary District, CA  
Salinas Valley Solid Waste  
Authority, CA  
Sanitary District No. 5 of Marin  
County, CA  
Santa Cruz Consolidated  
Emergency Communications  
Center, CA  
Sewer Authority Mid-Coastside,  
CA  
South Placer Municipal Utility  
District, CA  
Sweetwater Springs Water District,  
CA  
Union Sanitary District, CA  
Valley of the Moon Water District,  
CA  
Walnut Valley Water District, CA

## HOUSING

Housing Authority of the City of Austin, TX (President/CEO)  
Housing Authority for the City of Los Angeles, CA  
Housing Authority for the County of Butte, CA  
Housing Authority for the County of Santa Cruz, CA  
Louisiana Housing Corporation (Executive Director)  
Milpitas, CA  
San Antonio Housing Authority, TX  
Housing Authority the City of Stamford d/b/a Charter Oak Communities (Executive Director/COO) Vancouver  
Housing Authority, WA (Executive Director & Deputy)

## LEGAL COUNSEL

Aurora, CO  
Broward County, FL  
Cupertino, CA  
Fremont, CA  
Gainesville, FL  
Hayward, CA  
Lathrop, CA  
Monterey, CA  
Morgan Hill, CA  
Newport Beach, CA  
North Las Vegas, NV  
Oceanside, CA  
Orange, CA  
Palo Alto, CA  
Port of San Diego, CA (2)  
Sacramento Area Flood Control Agency, CA  
Sacramento County, CA  
Salinas, CA  
San Benito County, CA  
San Bernardino Associated Governments, CA  
San Mateo, CA  
Santa Ana, CA  
Stockton, CA  
Sunnyvale, CA  
Thousand Oaks, CA  
Ventura, CA

Walnut Creek, CA  
Yolo County, CA (Assistant County Counsel)

## LIBRARY

Corona, CA  
Folsom, CA  
Monterey Park, CA  
Palos Verdes Library District, CA  
Stockton-San Joaquin County Public Library, CA

## PARKS/RECREATION/ COMMUNITY SERVICES

Anaheim, CA  
Arlington, TX  
Bakersfield, CA  
El Segundo, CA  
Emeryville, CA  
Half Moon Bay, CA  
Lemoore, CA  
Long Beach, CA  
Lynwood, CA (Director & Assistant Director)  
Maple Valley, WA  
Milpitas, CA  
Monterey County, CA  
Peoria, AZ  
Pleasanton, CA  
Pleasant Valley Recreation and Park District, CA  
Pomona, CA  
Sacramento County, CA  
Sacramento, CA  
San Carlos, CA  
San Jose, CA (Director, Deputy Director, & Assistant Director)  
Santa Clarita, CA  
Stockton, CA  
Ventura, CA  
Whittier, CA

## PERSONNEL/HUMAN RESOURCES

Alameda County, CA  
Anaheim, CA  
Apple Valley, CA  
Barstow, CA (Assistant to the City Manager/Human Resources)  
Bellevue, WA

Benicia, CA  
Colusa County, CA  
Commerce, CA  
Corona, CA  
Desert Water Agency, CA  
Fremont, CA  
Inland Empire Utilities Agency, CA  
Glendale, AZ  
Grants Pass, OR  
Judicial Council of California --  
Administrative Office of the  
Courts, CA  
Las Virgenes Municipal Water  
District, CA  
Moreno Valley, CA  
Monterey Park, CA  
Napa, CA  
Newark, CA  
Norfolk, VA (Assistant Director)  
North Las Vegas, NV  
Oakland, CA  
Oceanside, CA  
Ontario, CA  
Patterson, CA (Human Resources  
Manger/Assistant to the City  
Manager)  
Palmdale Water District, CA  
Petaluma, CA  
Pomona, CA  
Rancho Cordova, CA  
Redlands, CA  
Rocklin, CA  
Roseville, CA  
San Antonio Housing Authority,  
TX  
Scottsdale, AZ  
Stockton, CA  
Tehama County, CA  
Wayne County, MI  
White Pine County, NV  
Yucca Valley, CA

**PLANNING**

Alameda, CA  
Beverly Hills, CA  
Centre City Development  
Corporation, CA  
Corona, CA  
Chula Vista, CA  
Damascus, OR

El Segundo, CA  
Elk Grove, CA  
Healdsburg, CA  
Los Banos, CA  
Madera, CA  
Milpitas, CA  
Modesto, CA  
Needles, CA  
Oceanside, CA  
Pacifica, CA  
Palo Alto, CA  
Palm Springs, CA  
Pleasanton, CA  
Reno, NV  
Riverside, CA  
Robson Homes, CA  
Roseville, CA  
Sacramento, CA  
Santa Clara County, CA  
San Benito County, CA  
Santa Cruz, CA  
Santa Monica, CA  
Stockton, CA  
Sumter County, FL (Development  
Services Director)  
Tracy Unified School District, CA  
Washington County, OR

**POLICE CHIEF/SAFETY**

Arroyo Grande, CA  
Ashland, OR  
Aurora, CO  
Bay Area Rapid Transit, CA  
Bellevue, WA  
Berkeley, CA  
California State University, East  
Bay  
California State University,  
Sacramento  
California State University, San  
Francisco  
Capitola, CA  
Carlsbad, CA  
Chico, CA  
Concord, CA  
Corona, CA  
Coronado, CA  
Culver City, CA  
El Cerrito, CA  
Eugene, OR

Fairfield, CA  
Folsom, CA  
Fullerton, CA  
Glendale, AZ (Chief & Assistant  
Chiefs)  
Glendora, CA  
Half Moon Bay, CA  
Hayward, CA  
Irvine, CA  
Irwindale, CA  
La Mesa, CA  
Lake Oswego, OR  
Littleton, CO  
Livingston, CA  
Lodi, CA  
Los Angeles, CA  
Los Angeles World Airports, CA  
Los Banos, CA  
Mammoth Lakes, CA (Interim)  
Manhattan Beach, CA  
Maywood, CA  
Menlo Park, CA  
Merced, CA  
Mesa, AZ  
Modesto, CA  
Monrovia, CA  
Montebello, CA  
Monterey, CA  
Monterey County Sheriff's  
Department, CA (Chief Deputy  
Sheriff for the Custody Bureau)  
Morgan Hill, CA  
North Las Vegas, NV  
Novato, CA  
Oakdale, CA  
Oceanside, CA  
Orange County, CA (Sheriff-  
Coroner)  
Palm Springs, CA  
Palo Alto, CA  
Pasadena, CA  
Pasadena City College, CA  
Peoria, AZ  
Petaluma, CA  
Piedmont, CA  
Pismo Beach, CA  
Pittsburg, CA  
Placentia, CA  
Pleasanton, CA  
Port of Long Beach, CA

Port of San Diego, CA  
Port of Seattle, WA  
Redlands, CA  
Reno, NV  
Rio Vista, CA  
Rocklin, CA  
Roseville, CA  
Sacramento, CA  
Salinas, CA  
San Bernardino, CA  
San Diego State University, CA  
San Fernando, CA  
San Francisco, CA  
San Jose State University, CA  
San Rafael, CA  
Sausalito, CA  
Seaside, CA  
Signal Hill, CA  
South Gate, CA  
Sunnyvale, CA (Public Safety  
Director)  
Tulsa, OK  
Turlock, CA  
University of California at Davis,  
CA  
University of California, Santa  
Barbara, CA  
University of Oregon, OR  
Vacaville, CA  
Virginia Commonwealth  
University, VA  
Walla Walla, WA  
Walnut Creek, CA  
Whittier, CA

**POLICE COMMAND STAFF**

Atascadero, CA  
Bay Area Rapid Transit, CA  
California State University,  
Sacramento  
California State University, San  
Francisco  
Los Angeles County, CA  
Menlo Park, CA  
Monterey County, CA  
Pleasanton, CA  
Santa Rosa, CA  
Port of San Diego, CA  
University of California, Merced,  
CA

University of Oregon, OR  
**POLICE OVERSIGHT**  
Bay Area Rapid Transit, CA  
(Independent Police Auditor)  
San Francisco, CA (Director of  
Office of Citizen Complaints)  
San Jose, CA (Independent Police  
Auditor)

**PUBLIC AFFAIRS/  
INTERGOVERNMENTAL  
RELATIONS DIRECTOR**

Beverly Hills, CA  
Rancho Cordova, CA  
Thornton, CO  
San Diego Regional Airport  
Authority, CA  
West Basin Municipal Water  
District, CA

**PUBLIC SAFETY  
COMMUNICATIONS**

Aurora, CO  
Clackamas County, OR  
Heartland Communications Facility  
Authority, CA  
San Francisco, CA  
San Jose, CA  
Santa Cruz Consolidated  
Emergency Communications  
Center, CA  
Washington County Consolidated  
Communications Agency, OR  
Yolo Emergency Communications  
Agency, CA

**PUBLIC WORKS**

Belmont, CA  
Chandler, AZ  
Clark County, NV  
Dallas, TX (Assistant Director  
Water Utilities)  
Elk Grove, CA  
Fresno, CA  
Galt, CA  
Grants Pass, OR  
Half Moon Bay, CA  
Healdsburg, CA  
Huntington Beach, CA  
Inglewood, CA

Lathrop, CA  
Los Banos, CA  
Mammoth Lakes, CA  
Maple Valley, WA  
Monrovia, CA  
Morro Bay, CA  
Needles, CA (Utilities Director)  
Pico Rivera, CA  
Pismo Beach, CA  
Pomona, CA (Director & Deputy  
Director)  
Poway, CA  
Provo, UT  
Redlands, CA  
Roseburg, OR  
Roseville, CA  
San Benito County, CA  
San Carlos, CA  
San Diego, CA (Utilities Director &  
Assistant Utilities Director)  
San Jose, CA (Deputy Director and  
Director)  
Santa Cruz, CA  
South Pasadena, CA  
Stockton, CA (Deputy Director)  
Sumter County, FL  
Tehama County, CA  
Tiburon, CA  
Upland, CA  
Woodland, CA  
Yuba City, CA (Deputy Director-  
Water Utilities)

**PURCHASING**

Central Contra Costa Sanitary  
District, CA (Purchasing &  
Materials Manager)  
Housing Authority of the City of  
Los Angeles (Director of General  
Services)  
Tacoma, WA (Purchasing Manager)

**RISK MANAGEMENT**

Central Contra Costa Sanitary  
District, CA (Safety & Risk  
Management Administrator)  
Central Marin Sanitation Agency,  
CA (Director of Safety and  
Training)

Riverside Transit Agency, CA (Risk Manager)

#### TECHNOLOGY

Clark County, NV  
Durham, NC  
Fresno, CA  
Hayward, CA  
Hillsboro, OR  
Inland Empire Utilities Agency, CA  
Modesto, CA  
Oakland, CA  
San Antonio Housing Authority (SAHA) (Director of Technology and Telecommunication)  
San Francisco, CA  
State Bar of California, CA  
Tucson, AZ

#### TRANSPORTATION

Association of Monterey Bay Area Governments, CA  
Dallas, TX (Assistant Director of Transportation Operations)  
Elk Grove-Rancho Cordova-El Dorado County Connector Joint Powers Authority, CA  
Omnitrans, CA  
San Diego Association of Governments, CA  
San Joaquin Council of Governments, CA  
Santa Clarita, CA  
Washington County, OR  
West Contra Costa Transportation Advisory Committee, CA

#### WASTE WATER/SANITATION/ SOLID WASTE

Central Contra Costa Sanitation District, CA  
Central Contra Costa Solid Waste Authority, CA  
Central Marin Sanitation Agency, CA  
Dublin San Ramon Services District, CA  
East Bay Dischargers Authority, CA  
CA

Monterey Regional Waste Management District, CA  
Monterey Regional Water Pollution Control Agency, CA  
Oro Loma Sanitary District, CA  
Redlands, CA  
Richmond, CA  
Roseville, CA  
Ross Valley Sanitary District, CA  
Salinas Valley Solid Waste Authority, CA  
Sanitary District No. 5 of Marin County, CA  
San Jose, CA  
Sewer Authority Mid-Coastside, CA  
South Bayside Waste Management Authority, CA  
Stockton, CA  
Union Sanitary District, CA  
West Contra Costa Integrated Waste Management Authority, CA

#### WATER

Arizona Municipal Water Users Association, AZ  
Aurora, CO  
Bakersfield, CA  
Calaveras County Water District, CA  
Joshua Basin Water District, CA  
Kennewick Irrigation District, CA  
Phoenix, AZ  
Reclamation District 1000, CA  
Redlands, CA  
Roseville, CA  
Sacramento Area Flood Control Agency, CA  
San Diego, CA San Jose, CA  
San Luis Obispo County, CA  
Santa Clara Valley Water District, CA  
South Placer Municipal Utility District, CA  
Stockton, CA  
Sweetwater Springs Water District, CA  
Valley of the Moon Water District, CA  
Walnut Valley Water District, CA

Yuba City, CA

**OTHER**

Bay Area Air Quality Management District, CA (Deputy Air Pollution Control Officer)

Benton County, OR (Health Director)

Broward County, FL (Port Everglades Director of Business Development)

Bureau Veritas, CA (Vice President – Operations)

Central Contra Costa Sanitary District (Director of Collection System Operations and Director of Plant Operations)

Cordova Recreation & Park District (District Administrator)

Government Services Group, Inc. (Municipal Services Manager)

Housing Authority of the City of Los Angeles (Director of General Services)

Imperial Irrigation District (Assistant Manager of Construction Operations and Maintenance)

Hilton, Farnkopf, and Hobson LLC (Manager/Vice President)

Las Vegas Convention and Visitors Authority, NV (Director of Facility Projects)

Monterey Bay Unified Air Pollution Control District, CA (Air Pollution Control Officer)

Peoria, AZ (Community Services Director)

Port of Long Beach, CA (Managing Director)

Port of Los Angeles, CA (Executive Director of Port Technologies Development Center)

Port of San Diego, CA (Senior Director of Real Estate)

Redlands, CA (8 Mid-Level Managers)

Robson Homes (Forward Planner and Land Acquisition Manager)

Sacramento, CA (Preservation Director)

Sacramento, CA (Urban Design Manager)

San Jose, CA (Assistant Director of Environmental Services and Environmental Services Director)

San Manuel Band of Tribal Indians, CA (Tribal Manager)

State Bar of California, CA (Chief Information Officer)

Superior Court of California, County of San Luis Obispo, CA (Assistant Court Executive Officer)

Washoe County, NV (Senior Services Director)

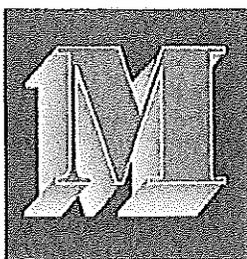
Washoe County, NV (Social Services Director)

**CITY OF GLENDALE,  
ARIZONA**

Proposal for Executive  
Search Services for  
the Position of

**CITY MANAGER**

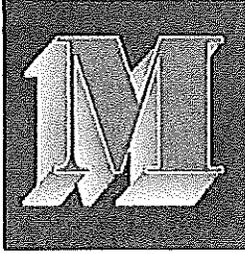
January 30, 2013



**The Mercer Group, Inc.**

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*Consultants To Management*



# The Mercer Group, Inc.

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## *Consultants To Management*

1000 Cordova Place, #726  
Santa Fe, New Mexico 87505  
505-466-9500  
FAX 505-466-1274

E-mail: [jmercer@mercergroupinc.com](mailto:jmercer@mercergroupinc.com)

January 30, 2013

VIA E-MAIL: [jwbrown@glendaleaz.com](mailto:jwbrown@glendaleaz.com)

Mr. Jim Brown, Interim HR Director  
City of Glendale  
5858 W Glendale Avenue  
Glendale, AZ 85301

Dear Mr. Brown:

The Mercer Group, Inc. is most pleased to submit this proposal to assist the City of Glendale to recruit nationally and to develop exceptionally well-qualified candidates for the position of City Manager. We are most interested in assisting the City of Glendale with this critical project, and if selected to conduct the search, would have no difficulty beginning the project immediately and expediting our work to ensure a smooth process. The Mercer Group, Inc. has extensive experience in conducting city manager searches locally and nationally. Our firm probably conducts more city manager and related searches each year throughout the United States than any other executive level recruitment firm. We are especially well qualified to conduct this search for the City of Glendale.

The purpose for engaging the services of an executive search firm is to seek out and recruit experienced candidates and to assist the City of Glendale in selecting highly qualified individuals who meet the profile and needs of the City and who might not otherwise apply. We have conducted recent searches for city manager for several communities your size. We are quite familiar with the candidate pool and the local needs.

We are the largest nationwide public sector search firm and we have more experience than any other public sector executive search firm. Mr. Mercer is a Certified Management Consultant (CMC) which is the preeminent designation earned in the management consulting profession. It is an indication that the individual possessing it has met and continues to meet strict certification requirements of the Institute of Management Consultants. The CMC designation represents that the individual has met world-class standards of competence, ethics and independence in the management consulting field. Mr. Mercer is the only management consultant with this designation operating in the public sector. (Please see [www.mercergroupinc.com](http://www.mercergroupinc.com) for more information about our firm and about current searches that we are conducting.)

**PINPOINTING WORKABLE SOLUTIONS FROM OUR OFFICES NATIONWIDE**

[www.mercergroupinc.com](http://www.mercergroupinc.com)

Mr. John Brown  
City of Glendale  
Page Two  
January 30, 2013

The mission of The Mercer Group, Inc. is to make our clients proud that they engaged us to provide management consulting services for them. The Mercer Group, Inc. also makes extensive use of the Internet both with our own web page which can be located at [www.mercergruoinc.com](http://www.mercergruoinc.com) and through e-mail. We post positions with other Internet providers and make information available to a wide number of people who are Internet users. We also make extensive use of the Internet to review newspaper articles on top candidates, etc., from the community in which they are currently employed or were employed in the past.

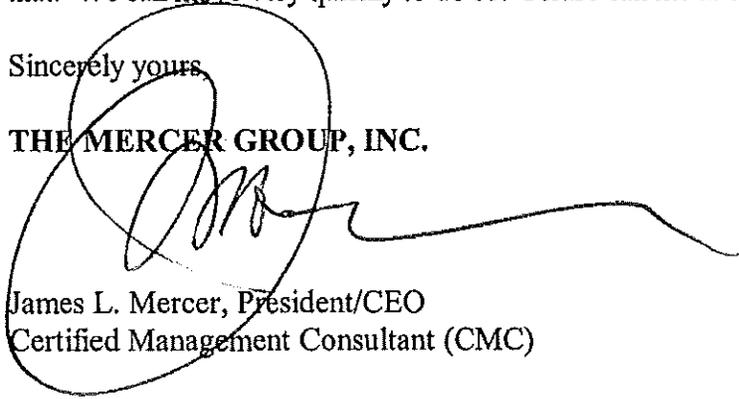
Our corporate headquarters is in Atlanta and we have branch offices in Arizona, California, Colorado, Florida, Georgia, Illinois, Louisiana, Michigan, New Mexico, North Carolina, Oklahoma, Texas and Virginia. We will work on the assignment from our Santa Fe office.

Lead consultant on this search will be James L. Mercer. Other consultants to be used on this search will be Michael Letcher and Karolyn Prince-Mercer.

Thank you for the opportunity to respond to this important assignment. This proposal is valid for ninety (90) days from receipt by the City of Glendale. We are looking forward to discussing this proposal with you personally, and urge you to allow us to come to Glendale at our expense to do that. We can move very quickly to do so. Please call me at 505-466-9500 if you have any questions.

Sincerely yours

**THE MERCER GROUP, INC.**



James L. Mercer, President/CEO  
Certified Management Consultant (CMC)

Enclosure

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**THE MERCER GROUP, INC.**

**CITY OF GLENDALE,  
ARIZONA**

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**Proposal for  
Executive Search Services  
for the Position of**

**CITY MANAGER**

**January 30, 2013**

**JAMES L. MERCER, PRESIDENT/CEO  
THE MERCER GROUP, INC.**

**1000 Cordova Road, Suite 726**

**Santa Fe, New Mexico 87505**

**505-466-9500**

**505-466-1274 FAX**

**[jmercerc@mercergroupinc.com](mailto:jmercerc@mercergroupinc.com)**

**[www.mercergroupinc.com](http://www.mercergroupinc.com)**

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- D. Sample Work Products (attached separately in PDF with the e-mailed proposal)

## **I. INTRODUCTION, BACKGROUND, OBJECTIVES AND SCOPE**

This section presents our understanding of the City of Glendale's requirements for this search, as well as the objectives and scope of the project.

### **A. Introduction and Background**

It is our understanding that:

- The City of Glendale is seeking "turn-key" executive search services and support in connection with the recruitment of a new City Manager.
- The City of Glendale is interested in identifying outstanding candidates and filling the position of City Manager.
- Services required include position analysis and preparation of position profiles, recruitment for the position; inviting potential candidates to apply; reviewing and screening applications; conducting interviews, reference checks and background checks of selected candidates; recommending a list of final candidates; coordinating final interviews; negotiating; and following up.
- The City of Glendale wishes to conduct a comprehensive national recruitment process, to ensure the best qualified candidates are found and that the best qualified individuals who are acceptable can be hired.
- The annual salary and benefits package for the position will be discussed with the Mayor and City Council.

### **B. Objectives**

The objectives that we will meet in order to help find the best qualified candidates for the position are as follows:

- To conduct on-site needs assessment for the new City Manager.
- To develop a comprehensive position profile.
- To reconcile any differences in points of view with regard to specifications for the position.
- To encourage top level people to apply who would otherwise be reluctant to respond to an advertisement.
- To save a considerable amount of the Mayor and City Council's and staff's time in establishing a position profile and reviewing applicants.
- To comply with appropriate personnel regulations and state laws (i.e., EEO, Affirmative Action and ADA).
- To independently and objectively assess the qualifications and suitability of candidates for the positions.
- To recommend a pool of finalist candidates to the Mayor and City Council.
- To coordinate finalist candidate interviews with the Mayor and City Council.
- To mail an information packet supplied by the Mayor and City Council to all qualified applicants.
- To respond to all candidate inquiries and produce all correspondence throughout the search.

- To preserve the confidentiality of inquiries to the degree possible under Arizona law.
- To assist the Mayor and City Council in reaching a final decision.
- To assist in negotiating a compensation package with the successful candidate on behalf of the Mayor and City Council.
- To assist the Mayor and City Council in establishing criteria for evaluating the new City Manager's performance.
- To follow-up with the Mayor and City Council and the new City Manager during the first year to determine if adjustments need to be made.
- To keep the Mayor and City Council closely involved in key decisions and informed of our progress.

C. Scope

The scope of the project will be sufficiently broad and in-depth so as to meet the requirements of the City of Glendale. However, for the fees proposed it will not address recruitment of additional candidates for positions other than the one specified.

## II. OUR APPROACH, WORK PLAN AND SCHEDULE

This section presents our approach, work plan and schedule for the search project.

### A. Approach

Our approach and style are interactive. That is, we form a partnership with our client to conduct a project. The City of Glendale will benefit through ease of implementation and by gaining more in-depth knowledge of executive search and management consulting techniques and expertise.

### B. Work Plan

We recommend a seven (7)-step search process as follows:

- **Position Analysis** — We will define work relationships, job qualifications and requirements for the position — the "Position Profile".
- **Recruitment Process** — We will recruit regionally and nationally for the position and network to locate qualified candidates.
- **Resume Review** — We will identify qualified candidates.
- **Candidate Screening** — We will thoroughly screen prospective candidates.
- **Background Investigation** — We will thoroughly evaluate prospective candidates.
- **Interview Process** — We will make recommendations and assist in selection.
- **Negotiation and Follow-up** — We will facilitate employment and follow-up to ensure complete integrity of the process.

#### 1. Position Analysis

We will have extensive consultation with the Mayor and City Council, other City staff and local leaders selected by them, as well as other individuals or groups (if you wish) to determine the City's vision/mission, goals and objectives, the needs and issues, requirements of the job, and to obtain information about the environment within which the position functions. In addition, we will spend a considerable amount of time at the beginning of the process in the City of Glendale in order to determine the level of experience and training needed.

During this process, we will initiate individual interviews with the Mayor and City Council, citizen organizations, department heads and key staff, and others of your choice to identify expectations, perceptions, and concerns regarding the position.

Based on those meetings, we will prepare a draft position profile and review it with the Mayor and City Council in order to arrive at a general agreement regarding the specifications for the position. The final position profile will include information about the City of Glendale, the community, major issues to be faced, the position, and the selection criteria established.

#### 2. Recruitment Process

Because we have recently completed similar searches, we will first review our database to

determine those candidates whom we may already know and/or already have on file who may meet the City 's specifications.

Although this process is valuable, we will rely most heavily on our own contacts in the City Manager field and on our own experience. In other words, through "networking", we will conduct a nation-wide professional search for the best qualified candidates and invite them to apply for the position.

We will provide the Mayor and City Council with several advertising alternatives with varying degrees of cost and their associated benefits. Based on our discussions with the Mayor and City Council, we will place ads in professional journals, in national, online at appropriate websites, and in various minority and women's publications to encourage applicants to apply.

### **3. Resume Review**

We will review and analyze each applicant's background and experience against the position description criteria. We will acknowledge all resumes received and keep candidates informed of their status.

### **4. Candidate Screening**

Criteria for the preliminary screening will be contained in the approved "Recruitment Profile". They may include such items as education, technical knowledge, experience, accomplishments, management style, personal traits, etc. Screening of candidates against those criteria will be based on data contained in the resumes and other data provided by the candidates and on our knowledge of the organizations in which they work. At this stage, each must meet the minimum qualifications specified in the Recruitment Profile.

We will be responsible for screening the applications received. This initial screening will be conducted by telephone and/or interactive video with the prospective candidate. We will conduct interviews with references who may know the candidate's background and expertise by telephone. Where feasible, we will also conduct personal interviews with top candidates.

Once the initial screening is completed, we will select the prospective candidates who most closely match the criteria established by the Mayor and City Council. The output of this step in the process will be a matrix display of the top candidates showing how each rates against the selection criteria established by the Mayor and City Council. This matrix will be reviewed with the Mayor and City Council in group meetings and guidance obtained prior to proceeding. One contingency here is that the Mayor and City Council may not approve of any of the candidates. If that should occur, we would, of course, keep searching until the City of Glendale's needs are clearly met.

After review by the Mayor and City Council, we will personally interview each using various interview techniques. We will closely examine their experience, qualifications and achievements in view of the selection criteria and our professional expertise in evaluating the quality of such qualifications and achievements.

We also request that all candidates provide us, in writing, substantial information about their accomplishments and their management style and philosophy. This information will be verified and, at the Mayor's and City Council's option, may be further tested by having the finalists complete management and leadership style inventories. We interpret these instruments for the Mayor and City Council, as well.

## **5. Background Investigations**

As part of our process in evaluating top candidates, we make detailed and extensive reference checks. In conducting these, it is our practice to speak directly to individuals who are now or have previously been in a position to evaluate the candidates' job performance.

We ask each candidate to provide us with a large number of references. We then network these references to other persons who know the candidate. In this way, we thoroughly evaluate each candidate. We have talked to as many as 23 references concerning a single finalist candidate. These references and evaluations are combined to provide frank and objective appraisals of the top candidates. We also verify past employment difficulties, if any, including reasonable due diligence on any legal action filed against current or former employers.

As part of our evaluation process, we verify undergraduate and graduate college degrees. We arrange for credit checks, criminal checks, and, as an additional option, can arrange for psychological (or similar) testing of the candidates that may be desired. As a part of this project we can provide the results of a Teleometrics Management Style Inventory on the finalist candidates. We can also conduct a Myers-Briggs analysis of the team with the new team member for team building purposes. (These may be extra cost items.) We will recommend background investigation criteria to the Mayor and City Council which will make the final decision on the specifics of the background check.

## **6. Interview Process**

Based on the preceding steps, a recommended list of finalists for the positions of City Manager will be compiled. We will prepare a written summary on each finalist. The information will cover, but not be limited to, 1) present position, 2) total years experience, 3) salary requirements, 4) education, 5) previous positions held, 6) notable projects, 7) management style, 8) skills and abilities, 9) interests, and 10) professional goals.

This information will be presented to the Mayor and City Council in a detailed written format (Interview Guide) combined with the results of the background investigation and candidate screening. We will make a recommendation on a group of five (5) to seven (7) finalists. The Mayor and City Council shall make the final decision on which and how many candidates will be interviewed.

Our report will be presented in a meeting with the Mayor and City Council in which we will discuss our recommendations and provide background information, sample questions and a rating form for the interviews. We can also assist the Mayor and City Council at no extra charge in conducting targeted selection and/or simulation processes with finalists, if desired.

In particular, we will explain which, if any, of the applicants specifically meet the total criteria established by the Mayor and City Council or whether the final group simply represents the best available talent.

We will also provide the Mayor and City Council with our recommendations relative to timing, sequencing, location, setting, format, and conduct of interviews with the finalists. We will provide information about trends in employment, employment contracts and agreements, relocation expenses, perquisites, appropriate role for spouses, receptions, etc. We will arrange schedules for top candidate interviews with the Mayor and City Council and will coordinate the process.

## **7. Negotiation and Follow-up**

We will also assist in the negotiation process relative to salary, benefits and other conditions of employment. We feel that we can be especially helpful because we have proposed a fixed fee rather than one based on a percentage of salary. One contingency here is that an agreement may not be able to be arranged. If that is the case, we will work with the Mayor and City Council to select an alternate candidate.

We will properly handle any and all media relations. Unless otherwise directed, it is our standard practice to tell all media that we are working on behalf of the Mayor and City Council and that any public statement should come directly from the Mayor and City Council. We will maintain confidentiality of candidate information, to the degree possible, under Arizona law.

Finally, we will notify by letter all unsuccessful candidates who were not recommended for interview with the Mayor and City Council of the final decision reached. We suggest, however, that it is more proper for the Mayor and City Council to directly notify all unsuccessful candidates whom they interviewed of the final result.

Once the new City Manager has been on board for 30 days or so, we will conduct a session with the Mayor and City Council and with the new City Manager in order to establish mutual performance criteria and goals for the position. In this regard, we will work with the Mayor and City Council to define the role of the new City Manager within the City of Glendale.

We will follow-up periodically with the Mayor and City Council and the new City Manager during the first year in order to make any adjustments that may be necessary.

We will keep the Mayor and City Council closely informed and involved in decisions concerning the search process at all times. We will prepare and send to the Mayor and City Council weekly e-mail updates and a formal progress report at the mid-point of the search. These reports will contain a progress report on the recruitment and specific steps to be taken to meet the Mayor's and City Council's deadlines and an itemization of expenses incurred-to-date and expected to be incurred during each succeeding project step.

Support from the Mayor and City Council will be needed, as follows:

Arranging interviews with the Mayor and City Council and key City staff  
Providing budget, organization charts and other documents  
Place of contact for the search  
Processing invoices for payment

**C. Schedule**

Our search process normally takes about 90 to 120 days from date of approval of the Position Profile by the client. The more time we have, within reason, of course, the more effectively we can conduct thorough evaluation and background checks on finalist candidates.

**D. Equal Employment Opportunity Statement**

It is the policy of The Mercer Group, Inc., to assure equal opportunity based on ability and fitness for all employees or applicants considered for our client organizations regardless of race, color, religion, sex, age, marital or veteran's status, national origin, or the presence of any sensory, mental or physical disability. Such policy shall apply, but not be limited to, hiring, placement, job classification, transfer or promotion, demotion, recruitment, advertising or solicitation for employment, rates of pay or other forms of compensation, selection for training, career development, layoff or termination.

This policy shall be disseminated to clients, subcontractors, suppliers and prospective applicants. The intent of this policy will apply to internal operations, recruitment and consulting activities conducted by our firm.

**CITY OF GLENDALE, ARIZONA  
CITY MANAGER SEARCH**

**TENTATIVE TIMELINE**

Approval of contract by the Mayor and City Council	February 4, 2013
Kickoff meeting and interviews with the Mayor and City Council and others to be interviewed	February 4-5, 2013
Draft Recruitment Brochure to Mayor and City Council for Review	February 11, 2013
Color Recruitment Brochure to Mayor and City Council for Review	February 14, 2013
Access Data Base, Place Ads and Kick Off Search Process	February 15, 2013
Send Recruitment Brochure/Invitation Letter	February 18-19, 2013

Follow-up Telephone Calls	February 20-March 29, 2013
Cutoff Date for Receipt of Applications	March 29, 2013
Meet with Mayor and City Council to Review Short List of Candidates	April 3, 2013
Conduct Reference and Background Checks	April 4-18, 2013
Send Interview Guide to Mayor and City Council on Top 5 Candidates	April 22, 2013
Mayor and City Council to Conduct Interviews on Top 5 Candidates	April 25-26, 2013
Make Selection	April 26, 2013
Negotiate Agreement	April 26-30, 2013
Selected Candidate On-Board	30/60 days later
Close off Search Process	Week of May 6, 2013

This schedule could be condensed or expanded somewhat, depending on the needs of the City of Glendale.

### III. COST PROPOSAL

Our fee for the services outlined is \$18,000 plus not-to-exceed expenses of \$8,000. Because the City of Glendale is a repeat client we will discount the \$18,000 fee by \$1,500 so that the fee to conduct this search will be \$16,500 plus \$8,000 in not-to-exceed expenses. Items typical of a similar search with their typical costs are broken down as follows:

Position Analysis .....	\$ 2,500
Outreach Campaign .....	2,500
Resume Review .....	1,750
Candidate Screening .....	4,750
Background Investigation .....	5,000
Interview Process .....	1,000
Negotiation and Follow-up .....	500
<b>TOTAL FEE .....</b>	<b>\$18,000</b>
<b>DISCOUNT ON HUMAN RESOURCES SEARCH .....</b>	<b>\$1,500</b>
<b>TOTAL FEE FOR HUMAN RESOURCES SEARCH .....</b>	<b>\$16,500</b>

Expenses, not-to-exceed out-of-pocket in the amount of \$8,000.00, are for consultant travel, lodging and per diem, telephone, correspondence, advertising, research, sourcing, reference and background investigation, data assemblage and report preparation.

Because of our other ongoing consulting and search work and our experience, expenses should be kept to a minimum. The cost for final candidates to travel to interview with the Mayor and City Council is not included. Such costs are typically paid by the client on a reimbursement basis, directly to the candidates. These costs are extremely difficult to estimate because they depend on where the candidates are located. Typically, out-of-state costs run about \$750 to \$1,000 per person.

The City of Glendale's liability to The Mercer Group, Inc. for services rendered under this agreement will not exceed the agreed upon price unless an increase is authorized by the Mayor and City Council in writing.

We will submit regular invoices for fees and expenses. It is our practice to bill one-third at the start of the search, one-third upon delivery of the semi-finalist application materials, and one-third upon delivery of the Final Report (Interview Guide with candidate information). Each invoice is due and payable upon receipt for professional services. Expenses will be billed in addition and shown as a separate figure.

We will comply with all applicable laws, rules and regulations of federal, state and local government entities.

Our ability to carry out the work required will be heavily dependent upon our past experience in providing similar services to others, and we expect to continue such work in the future. We will, to

the degree possible, preserve the confidential nature of any information received from you or developed during the work in accordance with our professional standards.

We assure you that we will devote our best efforts to carrying out the engagement. The results obtained, our recommendations and any written material provided by us will represent our best judgment based on the information available to us. Our liability, if any, will not be greater than the amount paid to us for the services rendered.

This proposal constitutes the agreement between us. It cannot be modified except in writing by both parties. Our agreement will be interpreted according to the laws of the State of Arizona.

#### IV. FIRM QUALIFICATIONS AND STAFFING

This section presents our qualifications to conduct projects of this type and describes the staff to be assigned to the search.

##### A. Firm Qualifications

The Mercer Group, Inc. is an independent management consulting firm incorporated in the State of Georgia and operating nation-wide. The firm was founded by James L. Mercer, a long-term public management consultant.

The Mercer Group, Inc. provides exceptionally high quality management consulting services to state and local governments, transit authorities, health care providers, utilities, special districts, and private sector clients. Specialty practice areas include: executive recruitment, organization and operations analysis, productivity improvement, strategic planning, management systems, compensation/classification/policy studies, privatization, budget evaluation services, government consolidation and organization development, training, and general management consulting. Our key consultants have conducted successful searches for hundreds of public sector organizations nationally and can offer numerous references as testimony of our work.

This important engagement will be conducted by Mr. James L. Mercer. Mr. Mercer has conducted or assisted in the conduct of more than 2000 successful executive searches in recent years. The spectrum of our search experience is illustrated below. Mr. Mercer's resume is included below.

Mr. Mercer is the Chief Executive Officer of our firm and can be located at our corporate headquarters as follows:

James L. Mercer, President/CEO  
The Mercer Group, Inc.  
1000 Cordova Place, Suite 726  
Santa Fe, New Mexico 87505  
Telephone: 505-466-9500; FAX: 505-466-1274  
Federal Tax ID No.: 58-1877068

#### THE MERCER GROUP, INC. RECRUITMENT TEAM SKILLS MATRIX

CATEGORIES OF SKILLS AND EXPERIENCE	RECRUITMENT TEAM		
	J. Mercer	M. Letcher	K. Prince-Mercer
Special District/Non-Profit	●	●	●
Small Municipality	●	●	●
Large Municipality	●	●	●

Urban County	●	●	●
Rural County	●	●	●
Suburban Government	●	●	●
Search Committee	●	●	●
Citizen Committee	●	●	●
Minority Placements	●	●	●
Internal Candidate Placement	●	●	●
Women Placement	●	●	●
Candidate Videotaping	●	●	●
Local Government Work Experience	●	●	●
Council/Manager Goal Setting	●	●	●
Sunshine and Open Records Act Experience	●	●	●
National Experience and Contacts	●	●	●
Other Public/Private Experience	●	●	●
CEO & Department Head Placements	●	●	●
Unbundled Search Process	●	●	●

**B. Resumes of Our Key Staff**

**1. James L. Mercer, President - Atlanta and Santa Fe Offices**

Mr. Mercer holds a Master of Business Administration degree from the University of Nevada, Reno, and a Bachelor of Science degree in Industrial Management from the same institution. He has also received a Certificate in Municipal Administration from the University of North Carolina at Chapel Hill and is a graduate of the Executive Development Program at Cornell University. Mr. Mercer is a Certified Management Consultant (CMC) and has more than 25 years of experience in executive search and management consulting. He has authored or co-authored five books and has written more than 250 articles on various management topics. His experience covers the following functional areas: executive search, organization and operations analysis, management systems, productivity improvement, seminars/training, goal setting, strategic planning, privatization, government, consolidation, and general consulting.

Prior to founding The Mercer Group, Inc., Mr. Mercer held positions as President of Mercer, Slavin & Nevins, Inc.; Regional Vice President of Wolfe & Associates, Inc.; as Partner and Vice President of Korn/Ferry International; General Manager of Battelle Southern Operations; National Program Director for Public Technology, Inc.; and Assistant City Manager of Raleigh, North Carolina. He has also been President of James Mercer & Associates, Inc., and has served as Director of Government Consulting Services for Coopers & Lybrand in both the Southeast and Southwest, as well as Director of the Industrial Extension Division for Georgia Tech.

**2. Michael Letcher, Senior Vice President - Arizona Office**

Mike Letcher is a recognized leader in strategic planning, performance measurement systems and developing innovative sustainable solutions to improving human resources, budget, finance and internal operating processes for governments with positive bottom line results. He is a dynamic speaker and trainer with national and state conference experience. Mike was an instructor in the Executive Leadership Program for 10 years at the National Fire Academy in Emmitsburg, Maryland. He has worked with Graduate programs in Public Administration at the University of Kansas, University of Vermont and is currently an instructor at the University of Arizona.

He has worked in municipal governments as a City Manager, Deputy City Manager, Budget Director, Finance Director and Human Resources Director for over 30 years, with cities ranging in size from 6,000 to 500,000 in population. He has experience consulting with State, Federal and Municipal clients.

Mike is a certified quality improvement facilitator and the recipient of innovation awards for programs he has developed in Human Resources, Finance and Customer Service. The International City/County Management Association and the University of Arizona also recognize him as a Certified Public Manager.

He has a Masters Degree in Public Administration from the University of Kansas and has published national articles on improving customer service and redefining the relationship between the Mayor, Council and the City Manager.

**3. Karolyn Prince-Mercer, Vice President - Santa Fe Office**

Ms. Prince-Mercer received her Bachelor of Arts degree in History with minors in Art, Political Science and Education from the University of Nevada. She received her Doctor of Jurisprudence degree from Woodrow Wilson College of Law. She is licensed to practice law in New Mexico and in Georgia. She has practiced law for over 20 years beginning in Georgia. Ms. Prince-Mercer is also qualified to administer and interpret the Myers-Briggs Type Indicator (MBTI) instruments.

Ms. Prince-Mercer also specializes in public sector executive search. She has been in management consulting for eighteen years. She has experience working in executive search and has conducted several city manager searches. She has placed city managers in various states and has worked closely with Mr. Mercer in the placement of city managers throughout the country. She also has experience with compensation and classification, and with organization and management studies. Ms. Prince-Mercer is also active in recruitment for other fields in the public sector.

4. **Time Commitments**

Our firm and Mr. Mercer have the quality time to devote to this search so as to meet the City of Glendale's needs.

## V. WHY YOU SHOULD SELECT THE MERCER GROUP, INC.

We believe some advantages to using The Mercer Group, Inc. which you may wish to consider are:

- **Critical Path Method** — The Mercer Group, Inc. uses a "critical path" search process which is designed to allow our clients to focus their attention on the selection process rather than on recruiting and screening candidates. We have learned that each client's need for key executives is different and that there is no one "best" person for all situations. The best prospects are most frequently happily employed and are not responding to advertisements. These people typically need to be sought out and encouraged to become candidates. They are understandably reluctant to apply for positions if their interest could become a matter of public information prior to being assured that they will be finalist candidates. Our approach to this assignment will reflect the unique qualities of the City of Glendale. It will honor the interests of candidates to the extent possible under Arizona law.
- **Reasonable Fees** — Our practice was formed to provide exceptional quality recruitment services to our clients. Our system is designed to allow us to extend reasonable fees to our non-profit and governmental clients and still be well within our profit margins on each assignment.
- **Experience** — Our search specialists are among the most experienced recruiters in the United States. We are also conducting similar consulting assignments currently. Further, we have much experience in recruiting city managers for city governments the size of the City of Glendale.
- **Repeat Engagements** — We have received a considerable amount of repeat business from our clients during the recent past.
- **Unique Skills and Services** — We offer a valuable combination of skills and services which is unique in our industry. Our firm is nationally respected in the areas of organization analysis and development, teambuilding, strategic planning, goal setting, and productivity analysis. Should you wish, we would facilitate a goal and objectives setting workshop with the selected candidate and the Mayor and City Council soon after the new City Manager begins. This service is offered at no additional professional fee. It would be necessary for us to charge actual expenses, however.
- **Strategic Location** — We are a national firm and serve the United States from our home office in Atlanta, which is strategically located near one of the world's busiest airports. We are close by when you need us. We have opened offices in Lansing, Santa Fe, Greeley, Dallas, New Orleans; Phoenix/Scottsdale, Raleigh, Wiemar, and Chesapeake. We will work out of the Santa Fe office on this project to better conserve spending.
- **Specialists in Search** — We are specialists in public sector and related executive search and will devote our most experienced consultants to this project. We will not delegate any important aspect of the work to less experienced staff. Mr. Mercer will conduct this search. He will be assisted by Mr. Letcher and Ms. Prince-Mercer.

- **Positive Track Record** — We have a positive track record of placements on all of our search assignments and have satisfied clients as references.
- **Objectivity and Custom Tailored Services** — We do not use the same cadre of candidates again and again. And, we have no allegiances which preclude our total objectivity respective of any candidate.
- **Thorough Work Product** — We check references, we verify education and our work product is most thorough and of the highest quality.
- **Contemporary Organization Analysis Insight** — We have contemporary organization analysis experience with similar organizations and will share our insights about your organization as we proceed with the search.
- **Proven Satisfaction** — Over 90 percent of our placements during the past five years are still in their same positions.
- **Ethical Standards** — We have participated in the establishment of ethical standards for public sector executive search firms, and we abide by those standards. We also abide by the Ethical Standards of the Institute of Management Consultants (Exhibit VII) and the International City and County Management Association.
- **Objective Evaluation** — We are experienced in objectively evaluating internal and local candidates.
- **Contacts** — We have the local, state-wide and national contacts to expedite the search process.
- **Database** — We have a large database of well-qualified candidates which can be searched.
- **Minority/Women Placements** — We have a number of minority and women placements.
- **Diagnostic Techniques** — We use diagnostic techniques to determine the needs of our clients and to determine how candidates match up with those needs.
- **Position Dimensions Analysis** — We use a technique which allows for the determination of dimensions that are important in a city manager's position and then, through a computer program, determine specific questions that we should ask prospective candidates that will allow us to systematically determine whether or not those individuals have those characteristics. (For example, one dimension might be negotiating skills; leadership skills might be another, etc.)
- **Dimensions Matrix** — We also use a matrix approach to display the candidates along a number of dimensions and then review the top 12 or so of those individually with the Mayor and City Council to get its involvement and feedback prior to us spending City resources to interview a large number of candidates. This helps better target the search and produces a much more effective result.
- **Videos** — We also use videos of the top 5-7 or so candidates to allow the Mayor and City Council to get a sense of the candidates prior to spending City resources to interview them.
- **Group Process Techniques** — In addition, we use a number of group process techniques to assist the Mayor and City Council and the new City Manager to better settle in and focus on a set of mutual performance criteria once the new person has been selected and comes on board.

# CODE OF ETHICS

## Clients

1. We will serve our clients with integrity, competence, and objectivity.
2. We will keep client information and records of client engagements confidential and will use proprietary client information only with the client's permission.
3. We will not take advantage of confidential client information for ourselves or our firms.
4. We will not allow conflicts of interest which provide a competitive advantage to one client through our use of confidential information from another client who is a direct competitor without that competitor's permission.

## Engagements

5. We will accept only engagements for which we are qualified by our experience and competence.
6. We will assign staff to client engagements in accord with their experience, knowledge, and expertise.
7. We will immediately acknowledge any influences on our objectivity to our clients and will offer to withdraw from a consulting engagement when our objectivity of integrity may be impaired.

## Fees

8. We will agree independently and in advance on the basis for our fees and expenses and will charge fees and expenses that are reasonable, legitimate, and commensurate with the services we deliver and the responsibility we accept.
9. We will disclose to our clients in advance any fees or commissions that we will receive for equipment, supplies or services we recommend to our clients.

## Profession

10. We will respect the intellectual property rights of our clients, other consulting firms, and sole practitioners and will not use proprietary information or methodologies without permission.
11. We will not advertise our services in a deceptive manner and will not misrepresent the consulting profession, consulting firms, or sole practitioners.
12. We will report violations of this Code of Ethics.

The Council of Consulting Organizations, Inc. Board of Directors approved this Code of Ethics on January 8, 1991. The Institute of Management Consultants (IMC) is a division of the Council of Consulting Organizations, Inc.



INSTITUTE OF MANAGEMENT CONSULTANTS  
230 Park Avenue, New York, NY 10169-0022  
a division of the Council of Consulting Organizations, Inc.

# What's Behind The "CMC"?

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**Certification** When you see the initials "CMC" following a consultant's name, it means that he or she is a Certified Management Consultant and has met strict certification requirements of the Institute of Management Consultants. The Institute was founded in 1969 by the principal associations in the consulting field to establish publicly-recognized standards of competence and professional conduct for the individual management consultant. Applicants for Institute certification undergo thorough investigation of their consulting experience; they are interviewed by a panel of senior consultants to verify their technical competence; and they must pass a written examination evidencing their familiarity with the Institute's Code of Professional Conduct, which they have pledged in writing to follow.

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**A Code of Conduct** CMCs pledge in writing to abide by the Institute's Code of Professional Conduct. Their adherence to the Code signifies voluntary assumption of self-discipline above and beyond the requirements of law. Key provisions of the Code require that CMCs:

- Safeguard confidential information
- Render impartial, independent advice
- Accept only those client engagements they are qualified to perform

- Agree with the client in advance on the basis for professional charges
- Develop realistic and practical solutions to client problems.

The Institute enforces the Code by receiving and investigating complaints of violations and by taking disciplinary action, including revocation of certification, against any member who is found guilty of Code violation.

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**Standards of Competence** Every step leading to the CMC designation has been designed to verify the candidate's professional competence.

- A Certified Management Consultant must have had at least five years of experience in the full-time practice of management consulting, with major responsibility for client projects during at least one of those years.
- The CMC has had to provide multiple references, most of them officers or executives of clients served. These references have been thoroughly interrogated to assure that consulting relationships were satisfactory.
- The CMC has had to provide written summaries of five Clients assignments (disguised to protect client identity).
- The CMC has had to pass a qualifying interview by senior CMC's, demonstrating professional competence and currency in areas of specialization, application of experience, and understanding of the management consulting process.

---

**The Mark of Excellence** In selecting management consultants, managers are well advised to seek individuals who meet the profession's own standards of competence and ethics. Institute certification is a valuable aid in this quest. It is the mark of excellence among management consultants.

- **Automated Approaches** — We use more modern automated approaches to developing, analyzing and displaying data about our prospective candidates than does any other firm.
- **Never Say "No"** — We almost never say "no" to our clients.
- **Keep You Involved** — We will keep the Mayor and City Council actively involved in the search process at all times.
- **Ready to Go** — We are ready to begin work immediately and proceed rapidly to complete this assignment. We can meet your schedule.

## VI. THE MERCER GROUP, INC. GUARANTEES

The ten (10) guarantees of our search work are explained below:

1. **Client Organization:** The client is defined as the entire entity, including all departments, divisions, sections and groups. This assures that all of our guarantees apply to the entire client organization.
2. **Two-Year Off Limits:** We will not recruit candidates from a client organization for two years after completion of a search assignment without the full agreement of the client.
3. **Placement Off Limits Forever:** We will never recruit a candidate whom we have placed in a client organization as long as he/she is employed by that organization without the full agreement of the client.
4. **Continue the Search:** If, for any reason, the client does not feel comfortable selecting a candidate from our original recommended group of candidates, we will continue the search until the client can make a selection. The only caveat is that we may need to charge additional out-of-pocket expenses only for this additional work.
5. **Replacement of Successful Candidate:** If the candidate we place with the client leaves the client organization for any reason during the 24 month period following the date of placement with the client, we will replace the candidate for the out-of-pocket expenses only that it costs us to make the new placement.
6. **Parallel Candidate Presentation:** We will not present a candidate simultaneously to more than one client. This permits our firm to represent one client organization without any conflicts of interest.
7. **Client Conflicts:** If asked, we will disclose to our clients the names of the organizations which are "Off Limits" that logically would be target organizations on the new search assignment.
8. **Deceptive/Misleading Search Techniques:** We commit to our clients and to our prospective candidates that we will not use any search techniques which may be considered as deceptive or misleading.
9. **Resume Floating:** We will not float resumes to organizations in the hopes that we can collect a fee if that individual is hired.
10. **Not Represent Individuals:** We assure our clients and individuals who may become candidates that we will not collect a fee from candidates whom we may recommend for a position.

# APPENDICES

## APPENDIX A: PREVIOUS SEARCHES

Examples of our executive search experience follow:

- \* Executive search work performed by a current staff member while working for another firm.

### City Managers/Administrators

Akron, Ohio - Assistant to the Mayor (Technology Agent) - 1973  
Alachua, Florida - City Manager - 2001  
Alamogordo, New Mexico - City Manager - 2009  
Albany, Georgia - Assistant City Manager (Limited Scope Search) - 2000  
Angel Fire, New Mexico - Village Manager - 2011  
Angel Fire, New Mexico - Town Administrator (Limited Scope Search) - 2000  
Andrews, Texas - City Manager - 2000  
Ann Arbor, Michigan - City Administrator - 2001  
Ann Arbor, Michigan - City Administrator - 1995  
Ann Arbor, Michigan - City Administrator - 1988  
Arkansas City, Kansas - City Manager - 2006  
Arlington, Texas - City Manager - 2011  
Arlington, Texas - Assistant City Manager (Technology Agent) - 1973  
Aspen, Colorado - City Manager - 1989  
Athens/Clarke County Unified Government, Georgia - Manager - 2000  
Athens/Clarke County Unified Government, Georgia - Manager - 1995  
Aurora, Colorado - City Manager - 1989  
Austin, Texas - City Manager - 1988  
Avondale, Arizona - City Manager - 2000  
Aztec, New Mexico - City Manager - 2009  
Bangor, Maine - City Manager - 2010  
Barrington, Illinois - Village Manager - 1998  
Bay City, Michigan - City Manager - 2003  
Beavercreek, Ohio - City Manager - 2003  
Beavercreek, Ohio - City Manager - 1985  
Belding, Michigan - City Manager - 1999  
Bellaire, Texas - City Manager - 1996  
Billings, Montana - City Administrator - 2006  
Billings, Montana - City Administrator - 2003  
Billings, Montana - City Administrator - 1999  
Billings, Montana - Assistant City Administrator - 2003  
Billings, Montana - Deputy City Administrator - 2003  
Birmingham, Michigan - City Manager - 2010  
Bloomfield, New Mexico - City Manager - 2010  
Bloomfield Hills, Michigan - City Manager - 2006  
Bloomfield Hills, Michigan - City Manager - 2001  
Boca Raton, Florida - Assistant City Manager - 1989

Boulder, Colorado - City Manager - 2008  
Boulder, Colorado - City Manager - 2002  
Boynton Beach, Florida - City Manager - 1999  
Bridgeport, Texas - City Administrator - 2010  
Bryan, Texas - City Manager - 2006  
Cairo, Georgia - City Manager - 1995  
Canadian, Texas - City Manager - 2010  
Cape Coral, Florida - City Manager - 1996  
Carpentersville, Illinois - Village Manager - 2001  
Carrboro, North Carolina - Town Manager - 2003  
Casa Grande, Arizona - City Manager - 2003  
Casselberry, Florida - City Manager (Limited Scope Search) - 2003  
Centennial, Colorado - City Manager - 2007  
Centennial, Colorado - City Manager - 2001  
Centennial, Colorado - Assistant City Manager - 2006  
Champaign, Illinois - Assistant City Manager - 2007  
Charlotte, North Carolina - City Manager - 2008  
Charlotte, North Carolina - City Manager - 1996  
Charlotte, North Carolina - City Manager - 1981  
Charlotte, North Carolina - Deputy City Manager (Limited Scope Search) - 2000  
Chesapeake, Virginia - City Manager - 2012  
Chesapeake, Virginia - City Manager - 1996  
\*Chesapeake, Virginia - City Manager - 2009  
\*Chesapeake, Virginia - City Manager - 2006  
Clayton, Missouri - City Manager - 2003  
Cleburne, Texas - City Manager - 2011  
\*Clifton Forge, Virginia - City Manager - 2006  
\*Cloverdale, California - City Manager - 2001  
College Park, Georgia - City Manager - 2013  
College Park, Georgia - City Manager - 2008  
College Park, Georgia - City Manager - 2002  
College Park, Maryland - City Manager - 2004  
College Park, Maryland - City Manager - 2002  
College Station, Texas - City Manager - 2006  
College Station, Texas - Assistant City Manager (2) - 2006  
\*Colma, California - City Manager - 1998  
Columbia, South Carolina - City Manager - 2009  
Columbia, South Carolina - City Manager - 1997  
Columbus, Georgia - City Manager - 1995  
Concord, North Carolina - City Manager - 1999  
Coral Springs, Florida - Assistant City Manager - 2000  
\*Cotati, California - City Manager - 1997  
Covington, Georgia - City Manager - 2013  
Covington, Washington - City Manager - 2006  
Culpeper, Virginia - Town Manager - 2000

\*Daly City, California - Assistant City Manager - 1995  
Danville, Kentucky - City Manager - 2011  
Danville, Virginia - City Manager - 1999  
\*Danville, Virginia - City Manager - 2008  
Davie, Florida - Town Administrator - 1999  
Dayton, Ohio - City Manager - 2006  
Dayton, Ohio - Assistant City Manager/Operations - 2007  
Dayton, Ohio - Assistant City Manager/Economic Development - 2007  
Daytona Beach, Florida - City Manager - 2002  
Decatur, Illinois - City Manager - 2008  
Decatur, Illinois - City Manager - 1987  
Deerfield Beach, Florida - City Manager - 1989  
DeKalb, Illinois - City Manager - 1998  
Delaware, Ohio - City Manager - 1998  
Delray Beach, Florida - City Manager - 1986  
Del Rio, Texas - City Manager (Limited Scope Search) - 1995  
Derby, Kansas - City Manager - 2001  
Dothan, Alabama - City Manager - 2002  
Downer's Grove, Illinois - Village Manager - 2005  
Dublin, Ohio - City Manager - 2008  
Durham, North Carolina - City Manager - 2008  
Durham, North Carolina - City Manager - 2004  
East Point, Georgia - City Manager - 2012  
East Point, Georgia - City Manager - 1999  
East Point, Georgia - City Manager - 1996  
Eau Claire, Wisconsin - City Manager - 2006  
Elkhart, Kansas - City Administrator (Limited Scope Search) - 2000  
Eloy, Arizona - City Manager - 2000  
El Paso, Texas - City Manager 2004  
El Reno, Oklahoma - City Manager - 2006  
Enid, Oklahoma - City Manager - 1997  
\*Encinitas, California - City Manager - 1999  
Erie, Colorado - Town Administrator - 2011  
Española, New Mexico - City Manager - 2008  
Estes Park, Colorado - Town Administrator - 2011  
Eugene, Oregon - Assistant City Manager (Technology Agent) - 1973  
Eustis, Florida - City Manager - 2007  
Evanston, Illinois - City Manager - 1996  
Evanston, Illinois - Assistant City Manager (Technology Agent) - 1973  
Fairfield, Iowa - City Administrator - 2010  
Fairmont, Minnesota - City Administrator - 1988  
\*Fayetteville, North Carolina - 2008  
Federal Heights, Colorado - City Manager - 2007  
Federal Heights, Colorado - City Manager - 2004  
Federal Way, Washington - City Manager - 1999

Flint, Michigan - City Administrator - 2001  
Florence, South Carolina - City Manager - 1996  
Florence, South Carolina - City Manager - 2011  
Fort Lauderdale, Florida - City Manager - 1998  
Fort Smith, Arkansas - City Administrator - 2008  
Fort Smith, Arkansas - City Administrator - 2006  
Fountain Hills, Arizona - Town Manager - 2011  
Fountain Hills, Arizona - Town Manager - 2002  
Frankfort, Kentucky - City Manager - 2003  
Franklin Village, Michigan - Village Administrator - 1998  
Gainesville, Florida - City Manager - 2005  
Gainesville, Florida - City Manager - 1995  
Galesburg, Illinois - City Manager - 2006  
Gastonia, North Carolina - City Manager - 2007  
Glen Ellyn, Illinois - Village Manager - 2008  
Glen Ellyn, Illinois - Village Manager - 2006  
Glencoe, Illinois - Village Manager - 2000  
Glendale, Arizona - Assistant City Manager - 2010  
Glendale, Arizona - Deputy City Manager (2 Positions) - 2004  
Glenview, Illinois - Village Manager - 2004  
Glenwood, Illinois - Village Administrator - 2008  
Glenn Heights, Texas - City Manager - 2006  
Goldsboro, North Carolina - City Manager - 2011  
Goldsboro, North Carolina - City Manager - 2004  
Goodyear, Arizona - City Manager - 2007  
Grand Island, Nebraska - City Administrator - 2007  
Grand Ledge, Michigan - City Administrator - 1999  
Granville, Ohio - Village Manager - 2005  
Greeley, Colorado - Deputy City Manager - 2006  
Green Cove Springs, Florida - City Manager (Limited Scope Search) - 1997  
\*Greenfield, California - City Manager - 1998  
Greensboro, North Carolina - Assistant City Manager (Limited Scope Search) - 1996  
\*Greenville, North Carolina - 2007  
Gulfport, Florida - City Manager - 2003  
Gulfport, Florida - City Manager - 1989  
GVR Metropolitan District, Green Valley Ranch, Denver, Colorado - District Manager - 2008  
Hampton, Virginia - City Manager - 2009  
Hampton, Virginia - City Manager - 1984  
Hampton, Virginia - Assistant City Manager (Technology Agent) - 1973  
\*Healdsburg, California - City Manager - 1995  
Highland Park, Michigan - Interim City Manager - 2002-2003  
High Point, North Carolina - Assistant City Manager (Technology Agent) - 1973  
Holland, Michigan - City Manager - 2011  
Howell, Michigan - Deputy City Manager for Financial Services - 2004  
Huber Heights, Ohio - City Manager - 2000

Hudson, Ohio - City Manager - 1997  
Hyattsville, Maryland - City Administrator - 2010  
Independence, Missouri - Assistant City Manager (Technology Agent) - 1973  
Indian Rocks Beach, Florida - City Manager (Limited Scope Search) - 1997  
Indian Rocks Beach, Florida - Interim City Manager (Assist) - 2005  
Indian Trail, North Carolina - Town Manager - 2009  
Jackson, Michigan - City Manager - 2004  
Jackson, Michigan - City Manager - 1996  
Jacksonville, North Carolina - City Manager - 2010  
Jacksonville, North Carolina - City Manager - 2005  
Jacksonville, North Carolina - City Manager - 1998  
Jacksonville, North Carolina - Assistant City Manager - 2007  
Jersey City, New Jersey - Assistant Business Manager (Technology Agent) - 1973  
Johns Creek, Georgia - City Manager - 2006  
Johnson City, Tennessee - City Manager - 2005  
Joplin, Missouri - City Manager - 2004  
Kent, Ohio - City Manager - 2005  
Kent, Ohio - City Manager - 1997  
Kettering, Ohio - Assistant City Manager (Technology Agent) - 1973  
Kingsport, Tennessee - City Manager - 1999  
Lakeland, Florida - City Manager - 2003  
Lakeland, Florida - Assistant to the City Manager - 2004  
\*Lakeport, California - City Manager - 2001  
Lake Worth, Florida - City Manager - 2009  
Las Vegas, New Mexico - City Manager - 2009  
Laurinburg, North Carolina - City Manager - 1999  
Lapeer, Michigan - City Manager - 2002  
League City, Texas - City Manager - 2012  
League City, Texas - City Administrator - 2009  
League City, Texas - Assistant City Manager for Public Works - 2009  
League City, Texas - City Administrator - 2004  
Lee's Summit, Missouri - City Manager - 2008  
Liberty, Texas - City Manager - 2007  
Littleton, Colorado - City Manager - 2011  
\*Livermore, California - City Manager - 2000  
\*Livermore, California - Assistant City Manager - 2001  
Longboat Key, Florida - Town Manager - 1997  
Longboat Key, Florida - Town Manager - 1993  
Longboat Key, Florida - Assistant Town Manager - 1996  
\*Los Altos, California - City Manager - 1998  
Los Angeles, California - Chief Legislative Analyst - 2005  
Louisville, Ohio - City Manager - 2001  
Lower Merion Township, Pennsylvania - Assistant Township Manager (Technology Agent) - 1973  
Macon, Georgia - Chief Administrative Officer - 2008  
Manistee, Michigan - City Manager - 2001

Marco Island, Florida - City Manager - 2004  
Martinsville, Virginia - City Manager - 2004  
Mason, Ohio - City Manager - 2006  
Matthews, North Carolina - Town Manager - 2002  
McAlester, Oklahoma - City Manager (Limited Scope Search) - 2006  
McKinney, Texas - Assistant City Manager - 2006  
Melbourne, Florida - City Manager - 2002  
Middletown, Ohio - City Manager - 1984  
Middletown, Pennsylvania - Borough Manager - 2001  
Midland, Texas - City Manager - 2008  
\*Mill Valley, California - City Manager - 1999  
Minneapolis, Minnesota - Assistant City Coordinator (Technology Agent) - 1973  
Minnetonka, Minnesota - City Manager - 2000  
Minster, Ohio - Village Administrator - 1986  
Monroe, Michigan - City Manager - 1992  
Monmouth, Illinois - City Administrator - 2007  
Montgomery, Illinois - Village Manager - 2000  
Mooresville, North Carolina - Town Manager - 2008  
\*Morgan Hill, California - City Manager - 1996  
Mound, Minnesota - City Manager - 2000  
Mount Holly, North Carolina - City Manager - 2007  
Muscatine, Iowa - City Administrator - 2009  
Naples, Florida - City Manager - 2007  
Naples, Florida - City Manager - 2003  
Negaunee, Michigan - City Manager - 2004  
Newburgh, New York - City Manager - 2010  
Newport News, Virginia - City Manager - 2005  
Norfolk, Virginia - City Manager - 1999  
North Miami, Florida - City Manager - 2002  
Northglenn, Colorado - City Manager - 2001  
Northville Township, Michigan - Township Administrator - 1999  
North Myrtle Beach, South Carolina - City Manager - 2010  
North Myrtle Beach, South Carolina - City Manager - 2003  
North Myrtle Beach, South Carolina - City Manager - 1997  
North Myrtle Beach, South Carolina - Assistant City Manager - 2008  
North Port, Florida - Assistant City Manager (Limited Scope Search) - 2003  
North Port, Florida - Assistant City Manager (Limited Scope Search) - 2002  
\*Novato, California - Assistant City Manager - 2002  
Oak Ridge, Tennessee - City Manager - 2010  
Oak Ridge, Tennessee - City Manager - 2003  
\*Oakland Park, Florida - Assistant City Manager - 2004  
\*Oakland Park, Florida - Assistant City Manager - 2002  
Oklahoma City, Oklahoma - City Manager - 1986  
Oklahoma City, Oklahoma - Assistant City Manager (Technology Agent) - 1973  
Oneonta, New York - City Manager - 2012

Orlando, Florida - Chief Administrative Officer - 2005  
Overland Park, Kansas - City Manager - 2010  
Oxford, Ohio - City Manager - 2007  
\*Oxnard, California - City Manager - 1997  
Paducah, Kentucky - City Manager - 2010  
Pagosa Springs, Colorado - Town Manager - 2008  
Parker, Colorado - Town Administrator - 2005  
Pasadena, California - Assistant City Manager (Technology Agent) - 1973  
Peoria, Illinois - City Manager - 2008  
Payson, Arizona - Town Manager - 2002  
\*Petaluma, California - City Manager - 1996  
Petoskey, Michigan - City Manager - 2009  
Phoenix, Arizona - City Manager - 1989  
Pineville, North Carolina - Town Manager - 2012  
Piqua, Ohio - City Manager - 2005  
Pittsburg, Kansas - City Manager - 2012  
Plainview, Texas - City Manager - 2003  
Pompano Beach, Florida - City Manager - 2009  
Ponce Inlet, Florida - Town Manager - 2001  
Port Arthur, Texas - City Manager - 2011  
Port Huron, Michigan - City Manager - 1997  
Portsmouth, Virginia - City Manager - 2000  
\*Portsmouth, Virginia - City Manager 2009  
Powder Springs, Georgia - City Manager - 2006  
Prairie Village, Kansas - City Administrator - 2007  
Pueblo, Colorado - Assistant City Manager (Technology Agent) - 1973  
Punta Gorda, Florida - City Manager - 2004  
Punta Gorda, Florida - City Manager - 1998  
Punta Gorda, Florida - City Manager - 1995  
Questa, New Mexico - Village Administrator - 2011  
Raleigh, North Carolina - Assistant to the City Manager - 1971  
Raleigh, North Carolina - City Manager - 2000  
Raton, New Mexico - City Manager - 2011  
Reading, Pennsylvania - Managing Director - 2003  
\*Reno, Nevada - City Manager - 1995  
Richland, Washington - City Manager - 2007  
Richland, Washington - City Manager - 1998  
Richland, Washington - City Manager (Limited Scope Search) - 2000  
Richmond, Michigan - City Manager - 1998  
Richmond, Virginia - Chief Administrative Officer - 2009  
Rio Rancho, New Mexico - City Administrator - 2003  
Roanoke, Virginia - City Manager - 1999  
Rock Hill, South Carolina - City Manager - 2001  
Rock Hill, South Carolina - City Manager - 1993  
Rockport, Texas - City Manager - 2011

Rockville, Maryland - City Manager - 1998  
Safety Harbor, Florida - City Manager - 2006  
Sandy Springs, Georgia - City Manager - 2005  
San Diego, California - Deputy City Manager - 1988  
\*San Diego, California - Assistant City Manager - 2000  
San Jose, California - Assistant City Manager (Technology Agent) - 1973  
\*San Rafael, California - City Manager - 1996  
\*Santa Rosa, California - City Manager - 2000  
Sarasota, Florida - City Manager - 2007  
Sarasota, Florida - City Manager - 1986  
Saratoga, California - City Manager - 2000  
\*Saratoga, California - City Manager - 1997  
Savannah, Georgia - City Manager - 1994  
Sheridan, Colorado - City Manager - 2011  
Sioux City, Iowa - Assistant City Manager (Technology Agent) - 1973  
Snellville, Georgia - City Manager - 2008  
\*Solana Beach, California - City Manager - 2002  
South Brunswick Township, New Jersey - Township Administrator - 1987  
South Haven, Michigan - City Manager - 1999  
Southlake, Texas - Assistant City Manager - 2005  
South Miami, Florida - City Manager - 2010  
South Miami, Florida - City Manager - 2003  
Southfield, Michigan - City Administrator - 1999  
Sparks, Nevada - City Manager - 1989  
Spartanburg, South Carolina - City Manager - 2001  
Spartanburg, South Carolina - City Manager - 1995  
Spartanburg, South Carolina - City Manager - 1984  
St. Pete Beach, Florida - City Manager - 2001  
St. Petersburg, Florida - Assistant City Manager (Technology Agent) - 1973  
St. Petersburg, Florida - Deputy City Manager Public Works - 1988  
Suffolk, Virginia - City Manager - 2002  
Sun'n Lake Sebring Improvement District, Florida - General Manager - 2006  
Sun'n Lake Sebring Improvement District, Florida - General Manager - 2004  
Sun'n Lake Sebring Improvement District, Florida - General Manager - 2002  
Sunrise, Florida - City Manager - 1989  
Sun Valley, Idaho - City Administrator - 2012  
Superior, Colorado - Town Manager - 2006  
Swartz Creek, Michigan - City Manager - 2000  
Taos, New Mexico - City Manager (Limited Scope) - 2012  
Takoma Park, Maryland - City Manager - 2013  
Takoma Park, Maryland - City Manager - 2004  
Talladega, Alabama - City Manager - 2008  
Talladega, Alabama - City Manager - 2003  
Tallahassee, Florida - City Manager - 1994  
Temple, Texas, City Manager - 2004

\*The Sea Ranch - Community Manager - 2002  
\*Tiburon, California - City Manager - 2000  
Tifton, Georgia - City Manager - 2007  
Tifton, Georgia - City Manager - 1996  
Tinnath, Colorado - Town Manager - 2011  
Tipp City, Ohio - City Manager - 2008  
Topeka, Kansas - Assistant to the Mayor (Technology Agent) - 1973  
Topeka, Kansas - Chief Administrative Officer - 2002  
\*Tracy, California - Deputy City Manager - 1999  
Traverse City, Michigan - City Manager - 1987  
Treasure Island, Florida - City Manager - 2004  
Treasure Island, Florida - City Manager - 1996  
Trophy Club, Texas - Town Manager - 2010  
Troy, Michigan - City Manager - 2012  
Tucson, Arizona - City Manager - 2004  
Tucson, Arizona - Assistant City Manager (Technology Agent) - 1973  
\*Union City, California - City Manager - 1995  
Union City, Georgia - City Administrator - 2007  
University City, Missouri - City Manager - 2005  
Vero Beach, Florida - City Manager - 2004  
Villa Park, Illinois - Village Manager - 2011  
Virginia Beach, Virginia - City Manager - 1991  
Virginia Beach, Virginia - Deputy City Manager - 1987  
Wentzville, Missouri - City Administrator - 2012  
West Hartford, Connecticut - Assistant City Manager (Technology Agent) - 1973  
Westminster, Colorado - City Manager - 2000  
Westminster, Maryland - City Administrator - 2006  
West Palm Beach, Florida - City Manager - 1988  
Westerville, Ohio - City Manager - 2007  
White House, Tennessee - City Administrator - 2012  
White House, Tennessee - City Administrator - 2005  
Wichita, Kansas - City Manager (Limited Scope Search) - 2008  
Wichita Falls, Texas - City Manager - 2005  
Wilmington, North Carolina - City Manager - 2002  
Wilmington, North Carolina - Deputy City Manager - 2003  
Wilson, North Carolina - City Manager - 2004  
Winchester, Virginia - City Manager - 2011  
Winter Haven, Florida - City Manager - 2001  
Winter Haven, Florida - City Manager - 1986  
Woodstock, Georgia - City Manager - 2008  
Worcester, Massachusetts - City Manager - 1993  
Worcester, Massachusetts - Assistant City Manager (Technology Agent) - 1973  
Worthington, Minnesota - City Manager - 1988  
Worthington, Ohio - City Manager - 2007  
Wylie, Texas - City Manager - 2004

# **GLENDALE, ARIZONA**

**Executive Search Proposal  
for**

## **City Manager**

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*Prepared by Robert E. Slavin on January 30, 2013*



**SLAVIN MANAGEMENT  
CONSULTANTS**

3040 Holcomb Bridge Rd. Suite A-1 • Norcross, Georgia 30071 • (770) 449-4656 • FAX (770) 416-0848 • E-mail: [slavin@bellsouth.net](mailto:slavin@bellsouth.net)  
[www.slavinweb.com](http://www.slavinweb.com)

With an affiliates in Cincinnati, OH; Dallas, TX; Hartford, CT; Key West, FL; Los Angeles, CA; Mackinac Island, MI and Mesa, AZ



January 30, 2013

Mr. Jim Brown  
Interim Human Resources Director  
City of Glendale  
5850 West Glendale Avenue  
Glendale, AZ 84305

*Re: Executive Search Proposal — City Manager*

Dear Mr. Brown:

Slavin Management Consultants (SMC) is pleased to submit this proposal to conduct an executive search for the next City Manager of Glendale. The purpose of this project is to help the City Council to develop and agree to a comprehensive position profile for City Manager and then to identify, recruit and present outstanding candidates who meet these criteria. Once the profile has been developed and approved by the City Council, SMC will have no difficulty identifying quality prospective candidates and becoming immediately productive. It is normal for a City Manager search to take between sixty and ninety days to complete.

SMC is a national firm, strategically based in Norcross, Georgia for easy access to Atlanta's Hartsfield - Jackson International Airport - the world's busiest airport. We have affiliates in Cincinnati, OH; Dallas, TX; Hartford, CT; Key West, FL; Los Angeles, CA; Mackinac Island, MI and Mesa, AZ.

As a high quality, independent management consulting firm, Slavin Management Consultants is most capable and interested in providing these services to the City. Over the years we have recruited more than 750 local government executives including in Arizona. Over the last three years, our chief executive search clients include Aurora, CO; Boise, ID; Cary, NC; Cass County, MI; Corpus Christi, TX; East Point, GA; Fort Myers, FL; Fridley, MN; Glynn County, GA; Gilbert, AZ; Gulf Shores, AL; Independence, KS; Iowa City, IA; Klamath Falls, OR; Mansfield, MA; Missoula, MT; Mesa, AZ; Panama City, FL; Phoenix, AZ; Prince William County, VA; Queen Creek, AZ; Rock Hill, SC; Storm Lake, IA; Suwanee, GA; West Des Moines, IA; Tempe, AZ; Tucson, AZ; Urbandale, IA; Venice, FL; Waikkee, IA; Wichita, KS and Wyoming, OH. This year, we placed the Executive Director at the Missouri Municipal League.

This proposal commits the highest level of our firm's resources. I, Bob Slavin, along with Paul Wenbert, our Mesa based Western Regional Manager will co-manage and serve as the primary consultants for this project. Together, we have a strong and proven commitment to providing exceptional recruitment services to public agencies and have received many accolades supporting this work.

Attached is our proposal which contains the information requested by the City. Also attached are the following exhibits: a pro forma invoice, a client list, references, our EEO Statement, and a list of our minority and female placements.

Thank you for the opportunity to submit this proposal. We look forward to working with the City of Glendale on this critical and highly challenging project. If you have questions concerning this proposal, please contact me at (770) 449-4656.

Very truly yours,

**SLAVIN MANAGEMENT CONSULTANTS**

Robert E. Slavin, President

RES/jf

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## COMPANY INFORMATION

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Slavin Management Consultants (SMC)  
3040 Holcomb Bridge Road, Suite #A-1  
Norcross, Georgia 30071

Phone: (770) 449-4656  
Fax: (770) 416-0848  
email: [slavin@bellsouth.net](mailto:slavin@bellsouth.net)  
web site: [www.slavinweb.com](http://www.slavinweb.com)

Principal: Robert E. Slavin, President

### **Firm Qualifications**

SMC is an independent management consulting firm formed in 1991 and incorporated in the State of Georgia. We operate nationwide from our home office near Atlanta, Georgia. The principal and only stock holder of the firm is Robert E. Slavin. Mr. Slavin has extensive experience as a local government executive and as a management consultant. We have affiliates in Cincinnati, OH; Dallas, TX; Hartford, CT; Key West, FL; Los Angeles, CA; Mackinac Island, MI and Mesa, AZ.

The company provides exceptionally high-quality consulting services to state and local governments, health care providers, transit authorities, utilities, special districts, and private sector clients. Specialty practice areas include executive recruitment, pay and classification, performance appraisal systems, and organization development and training. Our key consultants have conducted successful assignments for hundreds of public sector organizations nationally and offer many references as testimony of our work.

## FIRM AND PERSONNEL QUALIFICATIONS

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### *About Slavin Management Consultants*

Slavin Management Consultants (SMC) has completed many city/county manager searches over the years. We have local government recruitment experience in Arizona and all regions of the United States. We have also completed many assistant manager and department head searches for these and other cities and counties.

We use a "critical path" search process which allows our clients to focus attention on the selection process rather than on identifying, recruiting, screening and evaluating candidates. We understand that each client's need for key executives is different and that there is no "best" person for all situations. The best prospects are typically happily employed and not responding to advertisements. These people need to be found and encouraged to become candidates. They are understandably reluctant to apply for positions when their interest could become a matter of public information prior to being assured that the City is interested in their candidacy. Our approach to this assignment will reflect the unique qualities of Glendale. It will honor the interests of candidates to the extent possible under Arizona law.

This proposal provides an indexed and easily usable document for the City to assess the qualifications of Slavin Management Consultants to handle this critical work. It contains the following sections: a Table of Contents, Executive Summary, Project Summary, Project Schedule, Firm Qualifications and Staffing, Guarantees, Fee Structure, and an Agreement for Services. We constructed the Fee Structure to illustrate the professional time and cost of each major phase of the project. Exhibits include a sample invoice, a client list, references, our EEO/AA statement and a listing of women and minorities who we have helped place.

In considering our proposal we point out several factors about our firm and our approach that will be of significant benefit to the City:

- We are results oriented. Once the recruitment profile is approved, we "lock" into the criteria established and carefully identify, recruit and evaluate candidates who meet **your criteria**. We do not simply bring forward candidates whom we may already know.
- Our key staff members have extensive experience in conducting executive searches for the public sector throughout the nation.
- We are committed to complete client satisfaction. Our successful placement-oriented approach will ensure that the project work is practical, realistic, timely and that it has the full commitment and support of the City so that a successful placement will be facilitated.
- We use discount airfares and leverage trips between clients whenever possible to reduce expenses to our clients.
- We are leaders in the field of executive search in the public sector and our methodologies are state-of-the-art. We can address all aspects of your assignment.
- Every full search that we have conducted has resulted in a selection from our recommended group of candidates. Our experience includes large and small organizations and chief executives and subordinate level positions. More than 95% of our placements have remained in our client's positions for more than five years.

- Our style is interactive. That is, we strive to build a partnership with our clients.
- We are experts in EEO/AA recruitment. Approximately 25% of our placements are women and/or minorities.

Slavin Management Consultants three recent comparable City Manager placements

1. City of Aurora, Colorado  
Mr. Kin Shuman  
Director of Human Resources  
City of Aurora  
15151 E. Alameda Parkway  
Aurora, Colorado 80012  
(303) 739-7225  
[Kshuman@auroragov.org](mailto:Kshuman@auroragov.org)  
City Manager recruitment completed in 2010
2. City of Corpus Christi, Texas  
Mayor Joe Adame  
P.O. Box 9277  
Corpus, Christi, TX 78469-9277  
Phone: (361) 826.3100  
Email: [joea@cctexas.com](mailto:joea@cctexas.com)  
City Manager recruitment completed in 2011
3. City of Iowa City, Iowa  
Mayor Matt Heyek  
City of Iowa City  
410 E Washington Street  
Iowa City, Iowa 52240  
Phone: (319) 356-5043  
Fax: (319) 356-5497  
Email: [matt-hayek@iowa-city.org](mailto:matt-hayek@iowa-city.org)  
City Manager recruitment completed in 2011

### **Project Staffing**

This important engagement will be co managed by Mr. Robert E. Slavin and Mr. Paul Wenbert. Both are professional public local government practitioners with significant direct management experience. Both of are long-term members of a variety of professional organizations and stay abreast of new and changing laws, developments and trends by regularly attending specialized workshops, seminars and annual conferences. Under Mr. Slavin's leadership, SMC has completed more than 750 successful executive searches for local governments and non-profit agencies located in approximately forty- four.

### ***Robert E. Slavin, President***

Mr. Slavin is a pioneer in public sector and nonprofit executive search. He is among the best known and respected professional recruiters in the business. He is a frequent speaker before professional groups and he has written several articles for professional journals concerning governmental management. By special invitation, Mr. Slavin assisted the United States Office of Personnel Management to define and set up the Senior Executive Service for the Federal Government.

Mr. Slavin began his local government career in 1967. His experience includes twelve years working directly for local governments and it includes seven years as a principal consultant with the government search practice of Korn/Ferry International, the largest private sector search firm in the world. He headed the local government search practices for Mercer/Slavin, Incorporated, Mercer, Slavin & Nevins and Slavin, Nevins and Associates, Inc. Mr. Slavin now heads the executive search practice for Slavin Management Consultants. Clients include state and local governments, nonprofit and private sector businesses all over the United States. His experience includes search assignments for the 1984 Los Angeles Olympic's Organizing Committee.

Mr. Slavin's experience and qualifications include organizational analysis, classification and compensation studies, and assessment centers and human resource's systems studies.

Before being invited to join Korn/Ferry International, Mr. Slavin served as Assistant City Manager/Director of Human Resources for the City of Beverly Hills, California.

While at Beverly Hills, Mr. Slavin conducted many executive level recruitment assignments involving nationwide search and placement. Before joining the City of Beverly Hills, Mr. Slavin was the Assistant Personnel Director for the City of San Leandro, California.

Before San Leandro, Mr. Slavin was on the personnel staff of Santa Clara County, California. His assignments included recruitment, classification and selection for the County's Health Department, Medical Center, Transportation Agency, Sheriff's Office, Superintendent of Schools, Fire Marshall, Assessor's Office, Library System and County Recorder's Office.

Mr. Slavin received his Bachelor of Science degree in Political Science from the University of Santa Clara, and has completed the graduate course work for a Master's degree in Public Administration at California State University at Hayward. He is a Certified Professional Consultant to Management by the National Bureau of Certified Consultants.

### **Organizations**

- International City/County Management Association
- American Society for Public Administration
- International Personnel Management Association
- IPMA - Human Relations Commission
- IPMA - Publications Review Committee
- Society for Human Resource Management
- Southern California Public Labor Relations Council
- Southern California Municipal Assistants
- Bay Area Salary Survey Committee

### **Paul Wenbert, SMC Western Regional Manager**

Mr. Wenbert has more than thirty years of professional local government experience including twenty-four years of executive level experience with thirteen of those years as a city manager. Mr. Wenbert joined Slavin Management Consultants in 2007 as Western Regional Manager. He is headquartered in Mesa, Arizona. Most recently, Mr. Wenbert completed seven years of service as Deputy City Manager of Mesa. His career highlights include nine years as City Administrator for Newton, Iowa; four years as Village Manager for Villa Park, Illinois and four years as Assistant City Manager for Ames, Iowa. Early in his career Mr. Wenbert served as an administrative intern for Fort Wayne, Indiana and as an administrative assistant for Mesa, Arizona and Marion, Indiana.

Mr. Wenbert earned his Masters in Public Administration degree from Arizona State University and his Bachelor of Science degree From Indiana University. He is also an ICMA Credentialed Manager.

His career highlights include:

- Chaired ***Keep Maytag In Newton Task Force*** which facilitated retention of more than 2,000 jobs and addition of 440 jobs and \$41 million of investment
- Instituted Productivity Improvement Programs in Newton, Iowa and Villa Park, Illinois resulting in more than \$3 million of savings
- Negotiated revised 28E agreement with twelve local governments for regional landfill operated by City of Newton and involved in many other intergovernmental relations activities in Newton, Villa Park and Mesa, Arizona
- Supervised city departments with \$470 million budget and 1,100 employees in Mesa, Arizona.
- Directed \$80 million five-year Capital Improvements Program budget in Ames
- Served as chief negotiator on collective bargaining team for police, fire and blue collar union negotiations in Ames
- Worked for the City of Mesa during the time period when it was the fastest growing community in the United States and was involved with many growth issues such as infrastructure planning and financing, freeway interchange decisions and allocating resources equitably to newly developed and existing areas of the community
- Designed and administered first personnel and wage classification system for City of Marion, Indiana
- In all positions enhanced citizen connection to city government through various methods including citizen-based strategic planning, citizen focus groups, regular community attitude surveys, citizen academies and providing highlights of items on Council agenda
- In all positions improved staff team-building through city-wide staff development and training and city-wide committee work assignments
- Served as Vice-President of International City/County Management Association
- Served as President of Iowa City/County Management Association
- Received ICMA Program Excellence Award for Collaborative Children and Youth Initiatives
- Received Greater Newton Area Chamber of Commerce Key Award for Chairing ***Keep Maytag In Newton Task Force***

### ***Organizations***

- ICMA (Past Executive Board Member and Chair of the three ICMA Committees)
- Iowa City/County Management Association (Past President)

## APPROACH TO SCOPE OF SERVICES

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### *Slavin Management Consultants' (SMC) Results-oriented Process*

SMC uses a "critical path" search process which allows its clients to focus their attention on the selection process rather than on identifying, recruiting, screening and evaluating candidates. The best prospects are typically happily employed and do not respond to advertisements. These people need to be found and encouraged to become candidates. They are understandably reluctant to apply for positions when their application could become a matter of public information prior to being assured that the client is interested in their candidacy. SMC has a proven track record of aggressively pursuing these types of "happily employed" candidates to encourage them to submit their applications. SMC's approach to this assignment will reflect the unique qualities of Glendale, and it will honor the confidentiality of candidates to the extent permitted by Arizona law.

SMC would like the City of Glendale to consider SMC's unique qualities and approach identified below that help to distinguish it from other public sector recruiting firms.

- SMC is results-oriented. Once the recruitment profile is approved by the City, SMC will "lock" into the profile's criteria and carefully identify, recruit and evaluate candidates who meet the **City of Glendale's criteria**. SMC does not simply bring forward candidates that it may already know.
- SMC is committed to complete client satisfaction. SMC's successful placement-oriented approach will ensure that the project work is practical, realistic and timely and that it has the full commitment and support of the client so that a successful placement occurs.
- SMC makes use of resources that go beyond "Google" searches to conduct background checks of potential candidates. **In addition and fairly unique to this industry, SMC visits finalists' work sites prior to client interviews to learn first-hand about candidates' management style and work performance.**
- SMC are leaders in the executive search field with extensive experience in conducting public sector executive searches throughout the nation.
- SMC's methodologies are state-of-the-art and include advertising in traditional publications, websites and use of SMC's large resume data base to generate quality applicants.
- SMC's style is interactive in that it builds a partnership with its clients.
- SMC uses discount airfares and makes multi-client trips whenever possible to reduce expenses to its clients.
- SMC are experts in EEO/AA recruitment. Approximately 25 percent of its placements are females and/or minorities.
- Every full search that SMC has conducted has resulted in a selection from among its recommended group of candidates. SMC's experience includes large and small organizations and chief executives and subordinate-level positions. **More than 95 percent of SMC's placements have remained in their clients' positions for more than five years.**

Slavin Management Consultants recommends the followings proven five-step city manager recruitment process

- Define job qualifications and requirements for the City Manager position -- the "recruitment profile."
- Identify and recruit qualified candidates.
- Evaluate prospective candidates.
- Make recommendations, help in selection and facilitate employment.
- Establish evaluation criteria and follow-up.

Each step of this process is described below.

#### **A. Develop Position Profile**

We will meet with the each City Council member individually and, with the Council's permission, with staff and community leaders to learn the City's needs, focus and requirements such as experience, education and training as well as preferred management style and personal traits. In developing the recruitment profile, we will spend a considerable amount of time at the beginning of the process in Glendale to gather information about the City and to ascertain, the unique challenges of the job and the general environment within which the position functions.

Once we have gained the necessary information, we will prepare a draft recruitment profile and review it with the City Council to arrive at a general agreement regarding the specifications for the position. The final profile will include information about the region, the City of Glendale, the City government, major issues to be faced, the position and the selection criteria established.

#### **B. Identify Qualified Candidates**

We will first review our database to find those candidates whom we may already know and/or already have on file who may meet your specifications. Although the above process is valuable, we will rely most heavily on our own contacts in related fields and on our own experience. In other words, through "networking," we will conduct a professional search for the best-qualified candidates and invite them to apply for the position. In this effort, we utilize appropriate professional organizations, our established contacts, and our knowledge of quality jurisdictions and their employees.

We will prepare classified advertisements and develop a targeted advertising program utilizing professional websites and publications. SMC will place these announcements and will acknowledge all resumes received and thoroughly screen all potential candidates.

#### **C. Evaluate Prospective Candidates**

##### ***Preliminary Screening and Progress Report***

Criteria for the preliminary screening will be contained in the approved recruitment profile. They may include such items as education, technical knowledge, experience, accomplishments, management style, personal traits, etc. Screening of candidates against those criteria will be based on data contained in the resume and other data provided by the candidates and on our knowledge of the organizations in which they work. At this stage, each must meet the minimum qualifications specified in the recruitment profile.

We request that all candidates provide us, in writing, substantial information about their accomplishments and their management style and philosophy. This information is verified and, at the City's option, may be further tested by having the finalists respond to a supplemental questionnaire and/or complete management and leadership style inventories. We interpret these instruments for the City as well.

We will meet with the City Council to provide a progress report on a number of semifinalist candidates. These individuals will be top prospects who clearly meet the City's specifications for the position. With guidance from the City, we will narrow the semifinalist candidate group on the basis of refined criteria. During this meeting we will determine City's expectations relative to interview questions that we will write as well as the candidate rating and scoring processes which will be included in our final report.

#### **D. Selection and Employment**

##### ***In-depth Screening and Final Report***

At this point, we will interview those semifinalist candidates whom the City has the greatest interest in. Proper "fit" is as important as technical ability. We assess both. In order to better assess candidates' management style and interpersonal characteristics, we personally interview each in his or her present work environment. We will closely examine each candidate's experience, qualifications, achievements, management style and interpersonal skills in view of the selection criteria and our professional expertise in evaluating the quality of such qualifications, skills and achievements.

We conduct in-depth background checks on those individuals who continue to demonstrate their overall suitability for the position. Included are detailed and extensive reference checks which cover a minimum period of ten years. In conducting these, it is our practice to speak directly to individuals who are now or have been in positions to evaluate the candidate's job performance. We ask each candidate to provide us with a large number of references. We then network these references to other persons who know the candidate. In this way, we thoroughly evaluate each candidate. These references and evaluations are combined to provide frank and objective appraisals of the top candidates.

As part of our evaluation process we conduct credit checks and verify undergraduate and graduate college degrees. We also conduct criminal history, civil court records and driving record checks. At the City's option, we can arrange for assessment centers and/or psychological (or similar) testing of the candidates. (These optional items will result in extra cost.)

We will then meet with the City Council to present a group of well-qualified finalist candidates for interviews in Glendale. These final candidates will not be ranked because, at this point, they will all be qualified and it will then be a matter of chemistry between the candidates and the City Council that should produce the final selection decision.

Our final report will be presented in a meeting with the City Council. This written report is a comprehensive document. It contains our candidate recommendations, details about the search, interview tips, interview questions, candidate evaluation forms and information about legal vs. illegal inquiries. The report also includes the candidate interview schedule as well as our recommendations relative to timing, sequencing, location, setting, format, and conduct of interviews. The report contains comprehensive information about each recommended candidate. This includes educational and experience information, an evaluation of the candidate's experience relative to the criteria established by the City, a summary of reference comments and a statement of accomplishments and management style prepared by the candidate. Present compensation is also provided for each recommended candidate.

We will provide information about trends in employment, employment contracts and agreements, relocation expenses, perquisites, appropriate roles for spouses, receptions, etc. We arrange schedules

for top candidate interviews with the City and we will coordinate the entire process.

We will properly handle any and all media relations. Unless otherwise directed, it is our standard practice to tell all media that we are working on behalf of the City of Glendale and that any public statement should come from the City directly. Under no conditions will we release information to the media unless specifically directed by the City to do so.

We will notify all unsuccessful candidates of the final decision reached. We will continue to work for the City until a suitable candidate is recruited and hired by the City.

#### **E. Establish Evaluation Criteria**

Once the new City Manager has been on board for 30 days or so, we will conduct a session with the City Council and with the new City Manager to establish mutual performance criteria and goals for the position.

#### **F. Follow-up**

We will follow-up with the City Council and the new City Manager during the first year and assist in making any adjustments that may be necessary.

#### **G. Reporting**

We will keep the City informed, involved in decisions and involved in the search process. We will provide frequent progress reports to the City.

#### **H. Deliverables**

Deliverables include the recruitment profile (draft and final), the advertisement (draft and final), the progress report (presented in person), the final report with interview tips, interview schedule, interview questions, candidate resumes, candidate evaluations, candidate writing samples, rating sheets, ranking forms, tabulation forms and appropriate/inappropriate question list and negotiated employment agreement between the City and the selected candidate.

#### **I. Guarantees**

We provide a comprehensive set of assurances and guarantees to our executive recruitment clients that include:

- We are committed to excellence. We guarantee the highest quality of work and its success in your environment. To accomplish this, we will continue to work with the City until the City is satisfied with the candidates and a satisfactory candidate is selected and accepts employment.
- We guarantee our work and will redo the search if the position is vacated, for any reason, within two years of the employment date of a candidate selected by the City through our efforts.
- We will never actively recruit any *candidate who we have placed* nor will we actively recruit any *employee* from a client organization for at least two years from the completion date of an assignment.

**J. Project Schedule**

The search process normally takes between sixty (60) and ninety (90) days to complete and typically follows the following pattern:

STEPS	DAYS			
	1-30	30-45	45-60	60-360
1. DEVELOP SEARCH PROCESS, RECRUITMENT PROFILE AND ADVERTISING PROGRAM FOR CITY COUNCIL APPROVAL	✓			
2. IDENTIFY QUALIFIED CANDIDATES, REVIEW DATA BASE, NETWORK, RECEIVE AND REVIEW RESUMES	✓	✓		
3. SCREEN & EVALUATE PROSPECTIVE CANDIDATES		✓		
4. PROGRESS MEETING AND REPORT		✓		
5. INTERVIEW AND EVALUATE PROSPECTIVE CANDIDATES		✓	✓	
6. SUBMIT FINAL REPORT AND RECOMMENDATIONS, ASSIST IN SELECTION, FACILITATE EMPLOYMENT			✓	
7. ESTABLISH EVALUATION CRITERIA AND FOLLOW-UP				✓

Approximately twelve semifinalist candidates are presented to the City at the progress meetings. Generally, about five finalist candidates are presented for interviews with the City Council.

**K. Glendale Staff Involvement**

We will request of the City Council that a Glendale City staff member be assigned to serve as liaison between the City and Slavin Management Consultants. The primary function of the liaison is to arrange for meetings in Glendale between the consultants, council members, senior staff members and other key stakeholders of the Mayor and Council member's choosing. The liaison will also provide a local focal point for document exchange between the City Council and the consultants.

***SMC is an equal opportunity employer and recruiter, and will not discriminate against any employee or applicant for employment because of race, religion, creed, color, sex, disability or national origin.***

## PRICING

### Professional Fees

Our fees are based on a rate schedule that reflects the experience of the individual assigned. We use a flat fee rate schedule. Therefore, there are no project limitations based on annual salary. For this assignment we are proposing to use only consultants who have specific experience on similar assignments for other clients. We will use senior consultants where appropriate and to reduce the overall cost. We will use staff consultants when feasible. The following tables show the level of involvement by project step and cost.

PROJECT COSTS					
STEPS	ASSIGNED HOURS (Approximate)			RATE (Hr)	FEES
	Project Manager	Consultant	Total		
1. Project Planning/Develop Position Profile/ Prepare Advertising	32		32	80	\$2,560
2. Identify & Recruit Candidate/Acknowledge Resumes	30		30	80	\$2,400
		32	32	35	\$1,120
3. Preliminary Candidate Screening	10		10	80	\$800
		4	4	35	\$140
4. Progress Report to City /Reduce Candidate Pool	8		8	80	\$640
		8	8	35	\$280
5. In-depth Candidate Evaluation (Includes on-site consultant interviews with semi-finalist candidates)	36		36	80	\$2,880
		16	16	35	\$560
6. Arrange for & Schedule Final Interviews	4		4	80	\$320
7. Prepare Final Report with Interview Questions and Selection Criteria	8		8	80	\$640
		16	16	35	\$560
8. Present Final Report and Attend Interviews	8		8	80	\$640
9. Assist in Employee Selection	2		2	80	\$160
10. Negotiate Employment Agreement	4		4	80	\$320
11. Establish Performance Goals	6		6	No Charge	\$0
12. Follow-up	4		4	No Charge	\$0
<b>TOTAL HOURS</b>	152	76	228		
<b>TOTAL PROFESSIONAL FEE</b>					<b>\$14,020</b>

### Expenses

**Consultant Travel Costs:** The client pays direct cost for all necessary consultant travel using coach or, when available, lower air rates, corporate hotel rates at moderately priced properties (Holiday Inn or

equivalent), rental cars, using the corporate discount and normal meals. Our client controls these costs in the following ways: (1) when appropriate, consultants will accomplish multiple purposes when traveling and will allocate costs to multiple clients; (2) the client pre-approves all work plans including all consultant (and candidate) travel.

**Office Costs Include:** Telephone (\$350 flat fee, billed in two installments), FAX, postage, messenger, copier, and clerical costs.

**Consultant travel, classified advertising and office costs** to support the executive search project described in this proposal.

**Expenses are capped at 55% of the professional fee or (\$7,711.00). Therefore, the City's cost for the services described in this proposal will not exceed \$21,731.00.**

**The costs for final candidates to travel to Glendale** for interviews are not covered by this section. These costs vary widely and are impossible to anticipate at the beginning of a search. Candidate travel expenses are typically paid by the City on a reimbursement basis, directly to the candidates, and controlled through the City's prior approval of the finalist candidates.

Should the City's needs result in additional project scope that significantly increases costs it may be necessary to increase the expense budget for the project.

Your liability to Slavin Management Consultants for services rendered under this agreement will not exceed the agreed upon price unless an increase is authorized by you in writing.

We will submit monthly invoices for fees and expenses. It is our practice to bill 30% at the start of the searches, 30% at the end of thirty days, 30% at the end of sixty days, and the remaining 10% shortly after the time the new City Manager accepts employment with the City. Each invoice will be payable upon receipt for professional services.

Expenses will be billed in addition and shown as a separate figure. Attached is a pro-forma invoice showing the level of accounting detail we will provide.

Expenses will be billed in addition and shown as a separate figure. Attached is a pro-forma invoice showing the level of accounting detail we will provide.

We will comply with all applicable laws, rules, and regulations of federal, state, and local government entities.

Our ability to carry out the work required will be heavily dependent upon our experience in providing similar services to others, and we expect to continue such work in the future. We will, to the degree possible, preserve the confidential nature of any information received from you or developed during the work in accordance with our professional standards.

We assure you that we will devote our best efforts to carrying out the engagements. The results obtained, our recommendations, and any written material provided by us will represent our best judgment based on the information available to us. Our liability, if any, will not be greater than the amount paid to us for the services rendered.

This proposal constitutes the agreement between us. It cannot be modified except in writing by both parties. Our agreement will be interpreted according to the laws of the State of Arizona.

# ***EXHIBITS***

## ***CLIENT LIST BY CATEGORY***

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The following list of clients represent organizations for which our principal Consultants performed significant project work. This client list spans thirty years of experience of SMC consultants. Please contact SMC if you desire to speak with the individuals who were project contacts.

### **MUNICIPALITIES**

Aiken, South Carolina	Davenport, Iowa
Albany, Georgia	Davie, Florida
Alpharetta, Georgia	Decatur, Georgia
Anaheim, California	Decatur, Illinois
Ann Arbor, Michigan	Delray Beach, Florida
Arlington, Texas	Del Rio, Texas
Arlington Heights, Illinois	Denton, Texas
Arvada, Colorado	Destin, Florida
Atlanta, Georgia	Dothan, Alabama
Atlantic Beach, Florida	Dubuque, Iowa
Asheville, North Carolina	Duluth, Georgia
Auburn, Maine	Dunedin, Florida
Aurora, Colorado	Durham, North Carolina
Austin, Texas	Eagle Pass, Texas
Bartlesville, Oklahoma	East Brunswick Township, New Jersey
Bentonville, Arkansas	Edmond, Oklahoma
Bergenfield, New Jersey	Elgin, Illinois
Berkeley, California	Enfield, Connecticut
Beverly Hills, California	Escondido, California
Birmingham, Alabama	Evanston, Illinois
Bisbee, Arizona	Fort Collins, Colorado
Blacksburg, Virginia	Fort Lauderdale, Florida
Bloomington, Illinois	Fort Worth, Texas
Boynton Beach, Florida	Franklin, Tennessee
Branson, Missouri	Frisco, Colorado
Brea, California	Gainesville, Florida
Bridgeport, Connecticut	Gainesville, Georgia
Broken Arrow, Oklahoma	Galesburg, Illinois
Brownsville, Texas	Garden City, New York
Bryan, Texas	Glastonbury, Connecticut
Burbank, California	Glendale, Arizona
Camarillo, California	Glen Ellyn, Illinois
Carson, California	Grand Rapids, Michigan
Cary, North Carolina	Greensboro, North Carolina
Casper, Wyoming	Gulfport, Florida
Chapel Hill, North Carolina	Hardeeville, SC
Charlotte, North Carolina	Hemet, California
Chesapeake, Virginia	Hercules, California
Clearwater, Florida	Highland Park, Illinois
Cleveland, OH	Hollywood, Florida
Columbia, Missouri	Homestead, Florida
Columbus, Georgia	Huntington Beach, California
Concord, New Hampshire	Independence, Missouri
Coral Springs, Florida	Independence, Kansas
Corpus Christi, Texas	Iowa City, Iowa
Corta Madera, California	Jacksonville Beach, Florida
Creedmoor, North Carolina	Jupiter, Florida
Culver City, California	Kalamazoo, Michigan
Dallas, Texas	Kansas City, Missouri

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Lake Worth, Florida  
Lakewood, Colorado  
Lapeer, Michigan  
Laramie, Wyoming  
Laredo, Texas  
Lenexa, Kansas  
Liberty, Missouri  
Lillburn, Georgia  
Little Rock, Arkansas  
Long Beach, California  
Longmont, CO  
Manassas, Virginia  
Mansfield, Massachusetts  
Miami Beach, Florida  
Milwaukie, Oregon  
Minneapolis, Minnesota  
Miramar, Florida  
Modesto, California  
Muscatine, Iowa  
Neptune Beach, Florida  
Newark, Delaware  
New Smyrna Beach, Florida  
Norfolk, Virginia  
Norman, Oklahoma  
North Las Vegas, Nevada  
North Miami Beach, Florida  
Northglenn, Colorado  
North Port, Florida  
Norwich, Connecticut  
Oberlin, Ohio  
Ocean City, Maryland  
Oceanside, California  
Olathe, Kansas  
Oklahoma City, Oklahoma  
Oxnard, California  
Palm Bay, Florida  
Palm Beach Gardens, Florida  
Palo Alto, California  
Panama City, Florida  
Park Ridge, Illinois  
Pasadena, California  
Peoria, Illinois  
Phoenix, Arizona  
Pittsburg, Kansas  
Pompano Beach, Florida  
Portage, Michigan  
Pueblo, Colorado  
Richmond, California  
Richmond, Virginia  
Riverside, California  
Riverview, Michigan

Roanoke, Virginia  
Rock Hill, South Carolina  
Rockville, Maryland  
Sacramento, California  
St. Louis Park, Minnesota  
Salem, Oregon  
San Diego, California  
San Fernando, California  
San Francisco, California  
San Jose, California  
San Juan Capistrano, California  
Sandersville, Georgia  
Santa Ana, California  
Santa Monica, California  
Sarasota, Florida  
Shaker Heights, Ohio  
Simi Valley, California  
Sioux City, Iowa  
South Brunswick Township, New Jersey  
Springfield, Missouri  
Stratford, Connecticut  
Storm Lake, Iowa  
Sunnyvale, California  
Sunrise, Florida  
Takoma Park, Maryland  
Topeka, Kansas  
Titusville, Florida  
Thornton, Colorado  
Traverse City, Michigan  
Topeka, Kansas  
Turlock, California  
Upper Arlington, Ohio  
Urbandale, Iowa  
Valdez, Alaska  
Venice, FL  
Virginia Beach, Virginia  
Waco, Texas  
Warrensburg, Missouri  
Washington, Illinois  
West Des Moines, Iowa  
West Hartford, Connecticut  
West Hollywood, California  
West Palm Beach, Florida  
Wichita, Kansas  
Windham, Connecticut  
Winston-Salem, North Carolina  
Winter Park, Florida  
Worthington, Minnesota  
Ypsilanti, Michigan

## COUNTIES

Alameda County, California  
Albemarle County, Virginia  
Arapahoe County, Colorado  
Beaufort County, South Carolina  
Broward County, Florida

Brown County, Wisconsin  
Buffalo County, Nebraska  
Chaffee County, Colorado  
Cass County, Michigan  
Chesterfield County, Virginia

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Clark County, Nevada  
 Cobb County, Georgia  
 Dade County, Florida  
 Eagle County, Colorado  
 Escambia County, Florida  
 Fairfax County, Virginia  
 Forsyth County, Georgia  
 Fremont County, Colorado  
 Fresno County, California  
 Fulton County, Georgia  
 Glynn County, Georgia  
 Gunnison County, Colorado  
 Hall County, Georgia  
 Hamilton County, Ohio  
 Ketchikan-Gateway Borough, Alaska  
 Lake County, Florida  
 Lake County, Illinois  
 La Plata County, Colorado  
 Leon County, Florida  
 Lincoln County, North Carolina  
 Livingston County, Illinois  
 Los Angeles County, California  
 Martin County, Florida  
 McHenry County, Illinois  
 Mecklenburg County, North Carolina  
 Mendocino County, California  
 Mesa County, Colorado  
 Moffat County, Colorado  
 Monterey County, California

Muscatine County, Iowa  
 New Kent County, Virginia  
 Orange County, New York  
 Orange County, North Carolina  
 Oklahoma  
 Palm Beach County, Florida  
 Peoria County, Illinois  
 Pinellas County, Florida  
 Polk County, Florida  
 Prince William County, Virginia  
 Ramsey County, Minnesota  
 St. Louis County, Minnesota  
 Saline County, Kansas  
 San Diego County, California  
 San Luis Obispo County, California  
 San Mateo County, California  
 Sarasota County, Florida  
 Sedgwick County, Kansas  
 Seminole County, Florida  
 Sonoma County, California  
 Springettsbury Township, Pennsylvania  
 Spotsylvania County, Virginia  
 Tazewell County, IL  
 Volusia County, Florida  
 Wake County, North Carolina  
 Washtenaw County, Michigan  
 Whiteside County, Illinois  
 Whitfield County, Georgia  
 Yolo County, California

## OTHER ORGANIZATIONS

### Development Groups

Arrowhead Regional Development, Duluth,  
 Minnesota  
 Columbia Development Corporation, South  
 Carolina  
 Fresno Economic Development Commission,  
 California  
 Fresno Redevelopment Authority, California  
 GoTopeka, Inc., Kansas  
 Lincoln Road Development Corporation, Miami  
 Beach, FL  
 Los Angeles, California, Community  
 Redevelopment Agency  
 Mid-American Regional Council, Kansas City,  
 Missouri  
 West Palm Beach Downtown Development  
 Authority, Florida

### Housing Authorities

California Housing Finance Agency  
 Jefferson County Housing Authority, Alabama  
 Las Vegas Housing Authority  
 Memphis Housing Authority, Tennessee  
 Ocala Housing Authority, Florida

Peoria Housing Authority, Illinois

### Libraries

Birmingham, Alabama Public Library  
 Central Arkansas Library System  
 Lexington, Kentucky Library System  
 Metropolitan Library System of Oklahoma  
 Moline Public Library

### Non-Profits and Other Governmental Jurisdictions

California State Government  
 CDC Federal Credit Union, Atlanta, Georgia  
 District of Columbia  
 Fresno Employment and Training Commission,  
 California  
 Jefferson County Personnel Board, Alabama  
 Local Government Insurance Trust, Maryland  
 Los Angeles, California Department of  
 Community Public Health  
 Los Angeles, California  
 Music Center Operating Company  
 Los Angeles Olympics Organizing Committee  
 Metropolitan Nashville, Tennessee Arts

Commission  
Parkland Hospital, Texas  
Southwest Florida Regional Planning Council

**Professional Associations**

American Public Works Association  
Association of County Commissioners, Georgia  
Georgia Municipal Association  
International City/County Management Association  
Iowa League of Cities  
Missouri Municipal League

**School Districts**

Adams County School District #14, Commerce City, Colorado  
Lake Sumpter Community College, Florida  
Dallas Independent School District, Texas

**Transportation Agencies**

Alameda-Contra Costa Transit District, Oakland, California  
Bay Area Rapid Transit District, Oakland, California  
Dallas Area Rapid Transit District, Dallas, Texas

Greater Dayton Regional Transportation Authority  
Kalamazoo County Transportation Authority  
Lee County Port Authority, Florida  
Metra (Chicago Commuter Rail System)  
Port Everglades Authority, Fort Lauderdale, Florida  
Orlando - Orange County Expressway Authority  
Port of Sacramento, California  
Riverside Transit Agency, California  
San Francisco Bay Area Rapid Transit District, California  
Sarasota/Manatee Airport Authority, Florida  
Southern California Rapid Transit District

**Utility Districts**

Columbus Water Works, Georgia  
Metropolitan Sewer District of Greater Cincinnati, Ohio  
Public Works Commission of Fayetteville, North Carolina  
Rivanna Solid Waste Authority, Virginia  
Rivanna Water and Sewer Authority, Virginia  
Sacramento Municipal Utility District, California  
South Florida Water Management District  
Spartanburg Utility District, South Carolina



# CITY COUNCIL REPORT

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Meeting Date: **2/5/2013**  
Meeting Type: **Workshop**  
Title: **2013 STATE LEGISLATIVE AGENDA**  
Staff Contact: **Brent Stoddard, Intergovernmental Programs Director**

## **Purpose and Policy Guidance**

This is a request for City Council to review and provide guidance on the proposed 2013 state legislative agenda and to give a legislative update.

The Intergovernmental Programs staff recommends prioritizing the state legislative agenda to a few key issues to allow the city to have a stronger, more consistent message on the items of greatest priority. The proposed key priority issues for consideration are described in the attached reports.

## **Background Summary**

Prior to each legislative session, the Intergovernmental Programs staff seeks Council adoption of the city's state legislative agenda. The legislative agenda defines the city's priorities for the upcoming session and will guide the city's lobbying activities at the Arizona State Legislature. The Intergovernmental Programs staff will update Council on a regular basis throughout the session for guidance on bills and amendments that may be introduced. The city's legislative agenda is a flexible document and may change, based on activities at the Legislature and Council direction.

The 51st Legislature's First Regular Session began on Monday, January 14, 2013.

## **Previous Related Council Action**

The Council approved the 2012 State Legislative Agenda on January 3, 2012 which continues to be the guiding document until a new legislative agenda is approved.

## **Community Benefit/Public Involvement**

The 2013 state legislative agenda includes policy statements intended to protect and enhance the quality of life for Glendale residents by maintaining local decision-making authority.

Throughout the 2013 legislative session, policy direction will be sought on proposed statutory changes which fall under the adopted Council policy statements relating to the financial stability of



# CITY COUNCIL REPORT

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the city, public safety issues, promoting economic development, managing growth and preserving neighborhoods.

## **Attachments**

Staff Report

Department Memorandum



## STAFF REPORT

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To: **Horatio Skeete, Acting City Manager**  
From: **Brent Stoddard, Intergovernmental Programs Director**  
Item Title: **2013 STATE LEGISLATIVE AGENDA**  
Requested Council Meeting Date: **2/5/2013**  
Meeting Type: **Workshop**

### **PURPOSE**

This is a request for City Council to review and provide guidance on the proposed 2013 state legislative agenda and to give a legislative update.

The Intergovernmental Programs staff recommends prioritizing the state legislative agenda to a few key issues to allow the city to have a stronger, more consistent message on the items of greatest priority. The proposed key priority issues for consideration are described in the attached reports.

### **BACKGROUND**

Prior to each legislative session, the Intergovernmental Programs staff seeks Council adoption of the city's state legislative agenda. The legislative agenda defines the city's priorities for the upcoming session and will guide the city's lobbying activities at the Arizona State Legislature. The Intergovernmental Programs staff will update Council on a regular basis throughout the session for guidance on bills and amendments that may be introduced. The city's legislative agenda is a flexible document and may change, based on activities at the Legislature and Council direction.

The 51st Legislature's First Regular Session began on Monday, January 14, 2013.

### **ANALYSIS**

Staff is requesting Council to provide policy guidance on the proposed City of Glendale 2013 state legislative agenda.

### **FISCAL IMPACTS**

The Fiscal Impacts will be determined by the direction of the Council.



**CITY OF GLENDALE  
2013 STATE LEGISLATIVE AGENDA**

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**MUNICIPAL LEGISLATIVE PRINCIPLES**

**The Glendale City Council urges the State Legislature to:**

- o **Preserve and enhance the city’s ability to deliver quality and cost-effective services to Glendale citizens and visitors.**
  - o **Preserve and enhance the City Council’s ability to serve Glendale residents by retaining local decision making authority and maintaining state legislative and voter commitments for revenue sources.**
- 

**MUNICIPAL LEGISLATIVE PRIORITIES**

**FISCAL SUSTAINABILITY**

**Preservation of State Shared Revenue**

The city supports the retention of state shared sales and income tax revenues at the 15% distribution level and opposes any reduction or cap in state shared revenues, either directly or through the creation of exemptions, unless equal revenue sources are made available.

**Maintaining Revenue Streams/Directed Funding Sources**

The city supports the full disbursement levels of existing revenue streams including the Heritage Fund, the Highway User Revenue Fund (HURF), the Vehicle License Tax (VLT) and the Maricopa County half-cent sales tax for transportation. The city opposes diversions of these funds by the Legislature.

**Preservation of Local Taxing Authority**

The city supports the retention of local taxing authority and the maintenance of fiscally balanced revenue sources. The city opposes legislation that will shift a greater tax burden to homeowners as a consequence of restructuring property tax assessment ratios. Furthermore, the city supports the efforts of the Municipal Tax Code Commission to make tax collection more efficient.

**Unfunded Mandates**

The city opposes unfunded state mandates placed on local jurisdictions, and encourages the legislature to evaluate the fiscal impact such mandates will have on communities prior to considering the issue.

## **ECONOMIC DEVELOPMENT**

The city opposes any attempt to limit local control over, or ability to execute economic development projects, and supports any effort to enhance the range of economic development mechanisms at a municipality's disposal.

## **LAND USE PLANNING**

The city supports maintaining local authority in land use planning issues and supports legislative efforts that promotes more orderly growth and opposes efforts that impede growth management, including the preservation of local authority to set land use policies and support for citizen involvement in the planning and zoning process. Furthermore, the city opposes legislation that would restrict a municipality's ability to redevelop under-performing areas.

## **MILITARY PRESERVATION**

The city recognizes the importance of preserving the mission viability of Luke Air Force Base and the importance of the base to our national security interests, state and local economies, and to the retirees who rely on Luke for services. The city supports the retention of existing state statutes relating to military airports, and the development of legislation that limits encroachment of all types, supports compatible land uses around such facilities, and ensures the capability for future mission expansions.

## **NEIGHBORHOODS**

The city supports initiatives to preserve and enhance the quality of life in neighborhoods and protect the rights of citizens to actively engage in the development of public policy.

## **PUBLIC SAFETY**

The city supports initiatives to preserve and enhance the ability of local governments to strategically plan for and respond to emergencies.

## **TRANSPORTATION**

The city supports regional coordination in transportation planning but opposes efforts that limit local control in the transportation decision-making process. The city supports the voter approved Proposition 400 and opposes efforts to hinder the implementation of the Regional Transportation Plan. Furthermore, the council supports efforts that grant cities and towns the additional ability to provide for transportation improvements.

## **WATER/ENVIRONMENTAL RESOURCES**

The city supports efforts that ensure the wise use of natural resources and promotes environmentally sensitive and sustainable development.



# CITY COUNCIL REPORT

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Meeting Date: **2/5/2013**  
Meeting Type: **Workshop**  
Title: **ANNEXATION APPLICATION AN-189: LITCHFIELD ROAD AND BETHANY HOME ROAD**  
Staff Contact: **Jon M. Froke, AICP, Planning Director**

## **Purpose and Policy Guidance**

This is a request for City Council to provide guidance on an annexation request for approximately 167 acres of privately owned land located at the northwest and southwest corners of Litchfield Road and Bethany Home Road.

Staff recommends that this area be annexed to allow future growth and employment opportunities for Glendale while also protecting Luke Air Force Base operations in the future. The annexation of the area would ensure city review of all development for compatibility with the mission of Luke Air Force Base.

Staff is seeking guidance from Council to continue with the annexation process in accordance with annexation procedures outlined in state statutes.

## **Background Summary**

This annexation will implement Council direction as adopted in the Annexation Policy to consider annexation requests anywhere within the Municipal Planning Area.

This annexation involves property owned by a single owner. To encourage the development of this property and the creation of jobs, two parcels which are completely surrounded by the proposed annexation but which have different property owners, are excluded from this annexation request.

A small portion of the annexation request is within the Luke Air Force Base 65 ldn noise contour lines developed by the application of day/night average sound level of sound methodology (ldn). Development of the property for industrial and warehouse uses, both within and outside of the 65 ldn will be compatible with the mission of Luke Air Force Base.

There are currently no constructed buildings on the annexation area. The property will be developed as an industrial park in the future, and the developer will be responsible for insuring that all required noise mitigation measures are installed as part of the development of the property.



# CITY COUNCIL REPORT

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The area is designated Light Industrial (LI) and Luke Compatible Land Use (LCLU) on the General Plan. The zoning district which implements the Light Industrial and Luke Compatible Land Use designations is M-1 (Light Industrial).

Currently, the immediate northwest and southwest corners of Litchfield Road and Bethany Home Road are zoned C-3 (Heavy Commercial) and the remainder of the property is zoned RU-43 (Rural Residential) in Maricopa County. After annexation, the city applies the most compatible Glendale zoning district to a newly annexed property compared to the existing county zoning. The most compatible Glendale zoning districts are C-3 (Heavy Commercial) and A-1 (Agricultural). This process will occur simultaneously with the annexation.

Simultaneous with this annexation request, staff is processing a rezoning request which will rezone the property to M-1 (Light Industrial). This rezoning request will be brought forward to Council immediately after the annexation request.

Per past Council direction, Glendale will not provide water and sewer service west of 115<sup>th</sup> Avenue. In keeping with the adopted Annexation Policy, viable private companies will provide water and sewer service for any annexed area located beyond the city's existing service area including this property. The property is presently within the water service area of Liberty Utilities, and will be served with water provided by this private provider.

The property is not within the certificated service area of any sewer provider at present; however, the property is adjacent to the certificated sewer service area of Liberty Utilities. The applicant and Liberty Utilities are working together to expand Liberty's certificated sewer service area, including the approval of a MAG 208 amendment to establish Liberty Utilities as the designated sewer provider, so that sewer service to this area can be established at time of development. Thus, the provision of water and wastewater service to this area will be the responsibility of a viable private provider, and not the City of Glendale municipal utility system.

The provision of providing water and sewer services in the area by viable private providers benefits the city in that the city's 100 year assured water supply will not be used to serve the area; there will be no city capital expenditures for water and sewer infrastructure. The land owner will need to obtain an assured water supply from the Arizona Department of Water Resources (ADWR) as part of the preliminary plat application to ensure that there are adequate water resources. The city will not utilize its water resources to serve the area.

The property is not in a floodway. As part of the development of the property, all drainage and retention requirements of the city will be met.

The proposed annexation represents an opportunity for the Council to continue to protect Luke Air Force Base by controlling the land uses and the type of development that will take place in the



# CITY COUNCIL REPORT

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area and ensure that one of Arizona's most important economic engines is surrounded by compatible land uses in the future.

## **Previous Related Council Action**

City Council completed the "strip annexation" in 1978. As a result of this and previous annexation actions further east, the city limits of Glendale generally surround an unincorporated area located between Peoria Avenue, Dysart Road, Camelback Road and Perryville Road.

In 1992, City Council approved the annexation of a ten foot strip on the south side of this annexation request. This action preserved the integrity of the City of Glendale's strip annexation area and allowed for the subsequent deannexation of property to the south from the City of Glendale to the City of Litchfield Park, which facilitated the development of residential, multi-family, health care, and office uses north of Camelback Road in the City of Litchfield Park.

In 1995, the City of Glendale annexed Luke Air Force Base. As part of that annexation, the City of Glendale annexed the alignment of Bethany Home Road through this property, dividing the property into two unincorporated parts, and also as a part of that annexation, the right-of-way of Litchfield Road to the east of this property was brought within the Glendale city limits.

The City Council adopted an annexation policy in 2003, and adopted an amended annexation policy in 2005. Under the present annexation policy, consideration will be given to annexation requests submitted from any location within the Glendale Municipal Planning Area.

At Council Workshop on June 3, 2008, there was discussion on the entire strip annexation area. Council provided direction that provision of water and sewer services to the geographic area located west of 115<sup>th</sup> Avenue would be paid for by property owners in this area with no impact on existing Glendale water and sewer customers elsewhere in the city. This position was reaffirmed at Council Workshop on August 21, 2012.

## **Community Benefit/Public Involvement**

Glendale 2025, the City of Glendale's General Plan, includes specific goals addressing the need for growth management. Annexation is a tool that can be used by the city to direct and manage growth. This is an opportunity to develop an employment base in this portion of Glendale. This annexation will bring a large area for future industrial development into the corporate limits of the city, rather than having new development under Maricopa County jurisdiction.

The annexation of the area will require that any future development meet the Glendale General Plan requirements as well as all other development standards for the city, rather than Maricopa County. These improvements may include improvements to Litchfield Road and a traffic signal at



# CITY COUNCIL REPORT

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the intersection of Litchfield Road and Bethany Home Road as determined by the City of Glendale Transportation Department.

Once annexed, the development of the site will require the city to provide services. Since the property currently has no buildings, the city has the opportunity to work with the applicant at the time of zoning to best plan for the provision of city services. The applicant completed a fiscal analysis (attached) which demonstrated the costs for the city will be substantially less than the direct revenue to the city once the project is developed. The fiscal impacts include the general fund, streets, transportation, sales tax, and police and fire special revenue funds.

The fiscal analysis found that the long term net impacts for the development are projected to be positive at \$184,000 per year. In the short term, the impacts fluctuate depending on the projected level of construction activity, but remaining positive throughout the period. Job creation, employment opportunities, and private sector investment will be realized in the short and long term in this area as it develops for industrial uses.

This is an opportunity to develop an employment base in this portion of Glendale, and this annexation will bring a large area for future industrial development into the corporate limits of the city, rather than having new development under Maricopa County jurisdiction.

If Council guides staff to proceed with the annexation, the next step in the process is to record the blank annexation petition and schedule a public hearing for the annexation as required by state statute.

## **Attachments**

Staff Report

Other

Map

Other



# STAFF REPORT

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To: **Horatio Skeete, Acting City Manager**  
From: **Jon M. Froke, AICP, Planning Director**  
Item Title: **ANNEXATION APPLICATION AN-189: LITCHFIELD ROAD AND BETHANY HOME ROAD**  
Requested Council Meeting Date: **2/5/2013**  
Meeting Type: **Workshop**

## **PURPOSE**

This report contains information on the proposed annexation request for approximately 167 acres of privately owned land located at the northwest and southwest corners of Litchfield Road and Bethany Home Road. The purpose of this report is to provide a summary of the staff study and analysis of this annexation request and to recommend moving it forward with the annexation process in accordance with the procedure outlined in state statutes.

## **BACKGROUND**

The Arizona League of Cities and Towns defines annexation as the process by which a city or town may assume jurisdiction over unincorporated territory adjacent to its boundaries. The reasons a city or town typically annex are:

- Businesses receive a higher level of municipal services
- Orderly development occurs along municipalities' boundaries
- Development is subject to municipal codes, subdivision requirements, and zoning ordinances
- Increased revenue to the municipality

This annexation will implement Council direction as adopted in the Annexation Policy to consider annexation requests anywhere within the Municipal Planning Area.

City Council completed the "strip annexation" in 1978. As a result of this and previous annexation actions further east, the city limits of Glendale generally surround an unincorporated area located between Peoria Avenue, Dysart Road, Camelback Road and Perryville Road.

In 1992, City Council approved the annexation of a 10 foot strip on the south side of this annexation request. In 1995, the City of Glendale annexed Luke Air Force Base. As part of that annexation, the City of Glendale annexed the alignment of Bethany Home Road through this property, dividing the property into two unincorporated parts, and also as a part of that



## STAFF REPORT

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annexation, the right-of-way of Litchfield Road to the east of this property was brought within the Glendale city limits.

The City Council adopted an annexation policy in 2003, and adopted an amended annexation policy in 2005. Under the present annexation policy, consideration will be given to annexation requests submitted from any location within the Glendale Municipal Planning Area.

At Council Workshop on June 3, 2008, there was discussion on the entire strip annexation area. Council provided direction that provision of water and sewer services to the geographic area located west of 115<sup>th</sup> Avenue would be paid for by property owners in this area with no impact on existing Glendale water and sewer customers elsewhere in the city. This position was reaffirmed at Council Workshop on August 21, 2012.

Per past Council direction, Glendale will not provide water and sewer service west of 115<sup>th</sup> Avenue. In keeping with the adopted Annexation Policy, viable private companies will provide water and sewer service for any annexed area located beyond the city's existing service area including this property. The property is presently within the water service area of Liberty Utilities, and will be served with water provided by this private provider.

The property is not within the certificated service area of any sewer provider at present; however, the property is adjacent to the certificated sewer service area of Liberty Utilities. The applicant and Liberty Utilities are working together to expand the Liberty's certificated sewer service area, including the approval of a MAG 208 amendment to establish Liberty Utilities as the designated sewer provider, so sewer service to this area can be established at time of development. Thus, the provision of water and wastewater service to this area will be the responsibility of a viable private provider, and not the City of Glendale municipal utility system.

The proposed annexation represents an opportunity for the Council to continue to protect Luke Air Force Base by controlling the land uses and the type of development that will take place in the area and ensure one of Arizona's most important economic engines is surrounded by compatible land uses in the future.

### **ANALYSIS**

Staff recommends that this area be annexed to allow future growth and employment opportunities for Glendale while also protecting Luke Air Force Base operations into the future.

This annexation involves property owned by a single owner. To encourage the development of this property and the creation of jobs, two parcels which are completely surrounded by the proposed annexation but which have different property owners, are excluded from this annexation request.



## STAFF REPORT

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This is an opportunity to develop an employment base in this portion of Glendale, and this annexation will bring a large area for future industrial development into the corporate limits of the city, rather than having new development under Maricopa County jurisdiction.

The area is designated Light Industrial (LI) and Luke Compatible Land Use (LCLU) on the General Plan. The zoning district which implements the Light Industrial and Luke Compatible Land Use designations is M-1 (Light Industrial).

Currently, the immediate northwest and southwest corners of Litchfield Road and Bethany Home Road are zoned C-3 (Heavy Commercial) and the remainder of the property is zoned RU-43 (Rural Residential) in Maricopa County. After annexation, the city applies the most compatible Glendale zoning district to a newly annexed property compared to the existing county zoning. The most comparable Glendale zoning districts are C-3 (Heavy Commercial) and A-1 (Agricultural). This process will occur simultaneously with the annexation.

Staff is also processing a rezoning request which will rezone the property to M-1 (Light Industrial). The M-1 zoning is consistent with the Glendale General Plan. It is the intent of staff and the applicant to bring forward this rezoning request immediately after the annexation request.

Once annexed, the development of the site will require the city to provide police, fire, and may provide sanitation services. Since the property currently has no buildings, the city has the opportunity to work with the applicant at the time of zoning to best plan for the emergency response and sanitation needs. The applicant completed a fiscal analysis which demonstrated the costs for the city to service this area will be substantially less than the direct revenue to the city once the project is developed. The fiscal impacts include the general fund, streets, transportation, sales tax and police and fire special revenue funds. The fiscal analysis found that the long term net impacts for the development are projected to be positive at \$184,000 per year. In the short term, the impacts fluctuate depending on the projected level of construction activity, but remaining positive throughout the period.

The annexation of the area will require that any future development meet the Glendale General Plan requirements as well as all other development standards for the city, rather than Maricopa County. These improvements may include improvements to Litchfield Road and a traffic signal at the intersection of Litchfield Road and Bethany Home Road as determined by the City of Glendale Transportation Department.

A small portion of the annexation request is within the Luke Air Force Base 65 ldn noise contour lines developed by the application of day/night average sound level of sound methodology (ldn). Development of the property for industrial and warehouse uses, both within and outside of the 65 ldn, will be compatible with the mission of Luke Air Force Base.



## STAFF REPORT

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Staff recommends this area be annexed to allow future growth and employment opportunities for Glendale while simultaneously protecting Luke Air Force Base operations. The annexation of the area would ensure city review of all development for compatibility with the mission of Luke Air Force Base.

The property will be developed as an industrial park in the future, and the developer will be responsible for ensuring that all required noise mitigation measures are installed as part of the development of the property.

Annexation of this area allows Glendale to control the land uses and development patterns in and around Luke Air Force Base. By doing so, Glendale will no longer rely on Maricopa County for land use decisions in this area. Job creation, employment opportunities, and private sector investment will be realized in the short and long term in this area as it develops for industrial uses.

The provision of providing water and sewer services in the area by viable private providers benefits the city in that the city's 100 year assured water supply will not be used to serve the area; there will be no city capital expenditures for water and sewer infrastructure.

The land owner will need to obtain an assured water supply from the Arizona Department of Water Resources (ADWR) as part of the preliminary plat application to ensure that there are adequate water resources. The city will not utilize its water resources to serve the area.

The property is not in a floodway. As part of the development of the property, all drainage and retention requirements of the city will be met.

The next step in the process, if Council guides staff to proceed with the annexation, is to record the blank annexation petition and schedule a public hearing for the annexation as required by state statute.

**FISCAL IMPACTS OF THE  
LUKE LAND INDUSTRIAL PARK  
ANNEXATION AREA  
ON THE CITY OF GLENDALE**

**NOVEMBER 2012**

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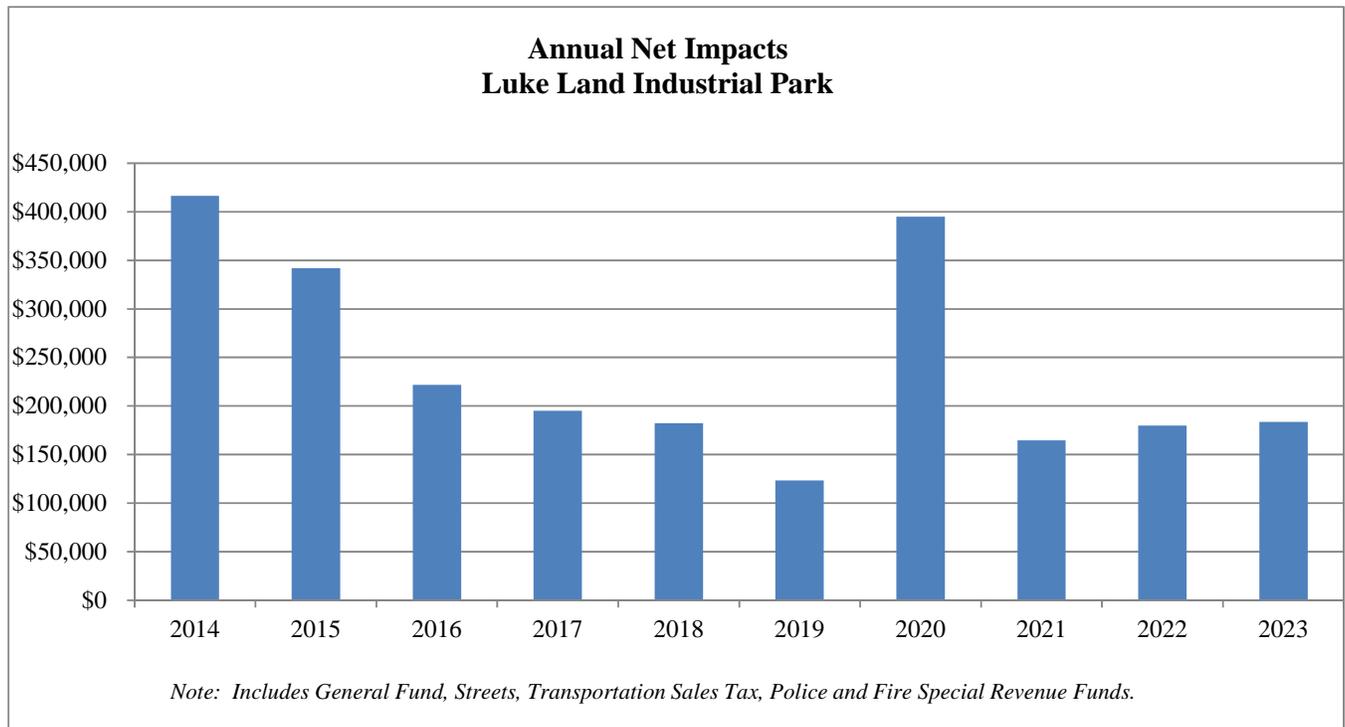
## ***EXECUTIVE SUMMARY***

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This analysis demonstrates the potential socioeconomic and fiscal impacts of the Luke Land Industrial Park annexation area on the City of Glendale. The annexation area, which includes 170.7 acres, is located southeast of Luke Air Force Base on the west side of Litchfield Road at Bethany Home Road. The majority of the site is located outside the Luke Air Force Base noise contours. The proposed future land use for the area would be light industrial (M-1), which would allow for a mix of industrial, warehouse and business park development. Kodiak Fresh Produce is currently under contract to purchase a 40 acre site within the annexation area for warehousing and distribution.

The following is a summary of the net fiscal impacts of this proposed annexation area on the City of Glendale. The fiscal impacts include the General Fund, Streets, Transportation Sales Tax and Police and Fire Special Revenue Funds. This study focuses on operations and maintenance revenues and expenditures. However, if annexed, this area may require other infrastructure improvements to bring it up to current city standards. The cost of these improvements is not included in the fiscal impacts.

The analysis includes annual impacts over a ten year period, during which time the industrial park would likely be built out. The long term net impacts for Luke Land Industrial Park are projected to be positive at \$184,000 per year (Figure 1). In the interim years, the impacts fluctuate depending on the projected level of construction activity, but remain positive throughout the period.



## ***1.0 INTRODUCTION***

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This analysis demonstrates the potential socioeconomic and fiscal impacts of the Luke Land Industrial Park annexation area on the City of Glendale. This 170.7 acre area, shown in Figure 2, is located west of Litchfield Road, north and south of the Bethany Home Road alignment. It abuts Luke Air Force Base to the west and north.

The property is currently undeveloped but is projected to include a mix of industrial and warehouse space under an M-1 light industrial zoning. Only a small corner of the site is located within the Luke Compatible Land Use area. The mix of development that is projected for the Luke Land Industrial Park could result in an estimated 2.01 million square feet of built space and total employment of about 1,900 by build out.

The information and observations contained in this report are based on our present knowledge of the components of development, and of the current physical, socioeconomic and fiscal conditions of the affected areas. Projections made in this report are based on hypothetical assumptions and current public finance policies. However, even if the assumptions outlined in this report were to occur, there will usually be differences between the projections and the actual results because events and circumstances frequently do not occur as expected. This analysis is based on the best available information and is intended to aid the City of Glendale in making decisions relative to the proposed development. All dollar figures should be interpreted as order of magnitude estimates only.

**FIGURE 2  
STUDY AREA**



**LUKE LAND  
INDUSTRIAL PARK**

**VICINITY  
MAP**



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**GLENDALE, AZ**

**PREPARED FOR: LITCHFIELD & BETHANY HOME LLC**

SCALE: NTS  
DATE: 09.05.12  
GP JOB# 12037



**NORTH**

**EXHIBIT #1**

## **1.1 General Approach**

The impact assessment includes revenues and expenditures associated with future development in the annexation area. It does not specifically include capital costs for new or replacement infrastructure, but does include relevant maintenance costs for items such as new streets. The analysis includes the General Fund, Streets, Transportation Sales Tax and Police and Fire Special Revenue Funds.

The basic approach for the analysis is to determine the level and character of future development (measured in building square footage, employment, road miles, etc.), and then to model the revenues and expenditures likely to be associated with that development. Current and historical budgets for the city were reviewed to identify revenue and expenditure line items that would be impacted by the annexation. Once identified, each line item was analyzed to identify a socioeconomic factor that could be used to predict a corresponding impact for the annexation area. For example, road miles are a good indicator of the cost of street maintenance. Therefore, by knowing the number of new road miles in the annexation area at any point in time, one could estimate the related costs in transportation and field operations departments. Many of the services provided by the city are utilized by both residents and businesses, thus population and employment are drivers for a number of revenue and expenditure items.

## **1.2 Report Organization**

The balance of this report is divided into two sections. Section 2.0 details the methodology and assumptions used in calculating the development characteristics and the fiscal assumptions used to develop the model. Section 3.0 describes the results of the fiscal impact analysis for the annexation area.

## 2.0 METHODOLOGY

### 2.1 Development Characteristics

This chapter describes the methodology used in developing the fiscal impact model and development assumptions. In order to analyze the fiscal impacts of annexation, it was necessary to create assumptions about the Luke Land Industrial Park so that it could be compared to the existing city in terms of projected service demands. The socioeconomic impacts of nonresidential development in the Luke Land Industrial Park can be described in terms of employment, nonresidential square footage, assessed value, taxable sales and street miles, based on assumptions about the type of development that could be expected to occur in this area.

In total, the annexation area will include 170.7 acres of light industrial development resulting in 2.01 million square feet of built space. Projected employment is expected to reach 1,900 by build out based on the number of acres by land use, standard assumptions for floor-area ratios (the ratio of building area to land area), occupancy rates and per employee square footage requirements (Figure 3).

This analysis also assumes that a portion of the annexation area could be developed as a business park with for-lease space. The remainder of the area would be build-to-suit, owner-occupied buildings. Lots 2 and 3, which are more likely to develop with leased space, make up about 18 percent of the total projected square footage. The model also assumes a low level of taxable sales per square foot (\$10 per square foot), which represents both sales taxes on utility usage by building owners as well as potential taxable direct sales from manufacturing companies such as machine shops.

**FIGURE 3  
DEVELOPMENT ASSUMPTIONS**

Land Use	Sq Ft per		Occupancy	Value per Sq Ft/Unit	Taxable		
	FAR	Employee			Sales Per SF	Annual Lease	Percent Leased
<b>Nonresidential</b>							
Light Industrial/Warehouse	0.28	1,000	95%	\$65	\$10	\$4.80	18%
<b>Vacant</b>							
Vacant	na	0	na	\$10,066	na	na	na

Value of vacant land is based on existing assessed value of parcels in the annexation area.

The projected timing of development is shown in Figure 4. The 40 acres that will be purchased by Kodiak Fresh Produce will develop in Phase I in late 2013. Kodiak is expected to add a second phase in 2016. Between 2014 and 2018, Phases II and III are likely to develop with a mix of owner-occupied and leased space. The final phase, which represents the southern portion of the property, is projected to develop by 2020.

**FIGURE 4  
PROJECTED ABSORPTION  
LUKE LAND INDUSTRIAL PARK**

	Timing	Gross Acres	Sq Ft
Phase I - Kodiak Fresh Produce	2013	20.00	90,000
Phase IA - Kodiak Fresh Produce	2016	20.00	150,000
Phase 2	2014-2015	68.70	1,150,000
Phase 3	2016-2018	22.30	300,000
Phase 4	2020	39.70	320,000
Total	NA	170.70	2,010,000

**2.2 Fiscal Assumptions**

The fiscal model created to assess the impacts of the Luke Land Industrial Park annexation area was based on current and historical budgets for the City of Glendale. Historical trends were analyzed for eight previous fiscal years. The model reflects a long term sales tax rate of 2.2 percent. Revenue and expenditure line items in the General Fund, Streets, Transportation Sales Tax, Police and Fire Special Revenue Funds were included since these funds will be most impacted by the annexation. The model does not include any construction costs for new infrastructure, but does include relevant maintenance costs for the new street miles that would be added as the property develops. Based on the mix of land uses and the miles of existing streets, the model assumes 1.23 new street miles including the extension of Bethany Home Road through the development and an internal collector street.

Various drivers were tested for each of the revenue and expenditure items in the model. In this way, consistent rates were developed that could be applied to the socioeconomic data for the proposed annexation area. In many cases an average of rates over the past several years was used. It is important to note that current expenditures are below historic levels due to the recession and reduced revenues. In most cases, an average of current and previous years was used in the model to better reflect long term conditions. However, some revenue and expenditure items increased at rates that were less consistent over time, or experienced permanent increases or decreases due to operational or other changes. In these cases, rates from more current budget years were used to accurately reflect current conditions. The rates and basis for all revenue and expenditure line items are shown in Figure 5.

Many of the revenue and expenditure line items are driven by population, or by “service population”, which includes both population and employment. This is because many of the services provided by the City, as well as the various types of revenues that local governments depend on, are proportional to the number of people living and working there. In some cases, population may be weighted more heavily than employment since some services are used proportionally more by residents. *Since this proposed annexation area does not include any residential development, only the portion of expenditures that is attributed to new employment is included.*

Major line items that are not driven by employment or population include property tax which is a function of current and future assessed value; sales tax which is a function of taxable sales and leases, and a variety of permits and service charges that are a function of construction costs. On the expenditure side, planning is a function of construction value and population, and engineering and building safety are a function of annual construction. Transportation is a function of street miles and population, and the HURF funded portion of Field Operations is a function of street miles. Street maintenance is based on a projected cost of \$229,100 per year to maintain a one mile segment of 5-lane road using costs provided by the city field operations department. This figure is adjusted to reflect the fact that the internal collector street would likely only be a 2-lane road. Police expenditures are a function of calls for service by type of land use and implied staffing at that call level based on police department standards in Glendale. Fire costs are based on call volumes and costs for similar areas within the existing city.

It is important to note that market conditions over the next 10 years could significantly affect the projected land use and hence property and sales tax revenues resulting from the annexation area. The assumptions used in this

analysis are fairly conservative and thus differences between the assumptions and actual conditions are likely to result in higher assessed values rather than lower. Although the exact timing for build out of this property is not known, the fiscal results (both revenues and expenditures) are inflated at a rate of 2 percent per year.

**FIGURE 5**  
**FISCAL IMPACT MODEL DRIVERS AND RATES**  
**GENERAL FUND, STREETS, TRANSPORTATION SALES TAX AND POLICE AND FIRE SPECIAL REVENUE FUNDS**

Revenue/Expenditure Item	Driver	Rate/Basis for Calculation
<b>GENERAL FUND</b>		
<b>Taxes and Fees</b>		
Property Tax	assessed value	0.002252 * ((16% * vacant land value) + (10% * residential value) + (20% * comm/ind value))
City Sales Tax	taxable sales per square foot, retail share	sales per square foot * square footage by type * retail share * 2.2%) + (lease rate * square footage by type * lease share * 2.2%) + (2.2% * 65% * construction value) + (7.2% * hotel/motel sales)
Utility Franchise Fees	service population	\$7.794 * (population + employment)
Cable Franchise Fees	service population	\$4.675 * (population + employment)
<b>Intergovernmental</b>		
State Income Tax	Census population (will be 0 except for res. projects)	\$135.81 per capita, no impact until after Census
State Sales Tax	Census population (will be 0 except for res. projects)	\$86.87 per capita, no impact until after Census
Auto Lieu	population	\$39.11 * population
Highway User Fees	population	\$56.42 * population
LTAFF	population	\$4.16 * population
Grants (Transportation)	population	\$2.26 * population
<b>Licenses and Permits</b>		
Sales Tax Licenses	retail employment	\$12.03 * retail employment
Liquor License Fees	retail employment	\$3.64 * retail employment
Business License	employment	\$0.774 * employment
Bus./Prof License	office employment	\$5.42 * office employment
Building Permits	construction value (80%), service population (20%)	(\$0.0041 * construction value) + (\$0.573 * (population + employment))
Traffic Engineering Plan	building permits	3.47% * building permit revenues
Right of Way Permits	building permits	29.04% * building permit revenues
<b>Charges for Services</b>		
Plan Check Fees	building permits	79.53% * building permit revenues
Engineering Plan Check	construction value	\$0.0016 * construction value
Misc CD Fees	building permits	10.93% * building permit revenues
Planning/Zoning Fees	building permits	22.57% * building permit revenues
Library Fines/Fees	population	\$1.24 * population
Staff & Admin Chargebacks	service population	\$13.297 * (population *2 + employment)
Fire Department Fees	service population	\$6.429 * (population *2 + employment)
Arena Fees	not modeled	
Recreation Fees	population	\$7.312 * population
Rental Income	service population	\$1.907 * (population + employment)
<b>Fines and Forfeitures</b>		
Court Revenues	service population	\$4.037 * (population * 3 + employment)
<b>Other Revenues</b>		
Misc. Revenue	service population, % of HURFs	\$1.714 * (population *2 + employment) + (0.21% * HURF revenues)
Transit Revenue	population	\$0.534 * population
Investment Income	previous year ending balance	1.5% * previous year ending balance
<b>Administrative Services</b>		
Administration	other admin svcs	3.41% * other administrative services
Finance	tax revenues	3.55% * tax revenues
Information Technology	City FTEs @ 0.0036 per (population*2 + employment)	\$1655.39 * City FTEs
Management & Budget	City FTEs @ 0.0036 per (population*2 + employment)	\$353.49 * City FTEs
Human Resources	FTE growth	\$1197.86 * City FTE growth
Lease Pmts/Other Fees	City FTEs @ 0.0036 per (population*2 + employment)	\$1231.36 * City FTEs
<b>Internal Services</b>		
City Manager	svc population (pop*2)	\$1.99 * (population*2 + employment)
City Auditor	Finance	10.89% * finance expenditures
Intergovernmental Programs	current levels inflated, only impacted for whole city	
<b>Facilities and Financial Management</b>		
Marketing & Communications	service population	\$4.78 * (population*2 + employment)
Economic Development	new jobs created	\$67.55 * job growth
<b>Community Development</b>		
CD Administration	other community development expenditures	3.46% * development services expenditures
Building Safety	const. value	\$0.0063 * construction value
Planning	const. value (80%), svc pop (20%)	(\$0.0037 * construction value) + \$0.9195 * (population + employment)

**FIGURE 5 (continued)**  
**FISCAL IMPACT MODEL DRIVERS AND RATES**  
**GENERAL FUND, STREETS, TRANSPORTATION SALES TAX AND POLICE AND FIRE SPECIAL REVENUE FUNDS**

Revenue/Expenditure Item	Driver	Rate/Basis for Calculation
<b>Mayor/Council</b>		
Mayor & Council	population growth	\$21.60 * population growth
City Clerk	service population	\$1.138 * (population*2 + employment)
City Court	service population	\$4.84 * (population*3 + employment)
City Attorney	population	\$12.12 * population
<b>Public Safety</b>		
Police and Support Services	calls for service based on land use, 1 officer per 965 calls	\$148,259 * police staff
Fire	calls for service for comparable area	information provided by fire department
Homeland Security	population	\$3.86 * population
<b>Community Services</b>		
Community Services Administration	other community services expenditures	1.12% * community services expenditures
Code Compliance	service population	\$4.45 * (population + employment)
Parks & Recreation	population	\$25.29 * population
Park Maintenance	park acres	\$2293.05 * park acres
Community Partnerships	population	\$3.97 * population
Library & Arts	population	\$32.51 * population
<b>Public Works</b>		
Public Works Administration	other public works expenditures	0.59% * public works expenditures
Field Operations	street miles, City FTEs	(\$25,659 * street centerline miles) + (\$2629.32 * City FTEs)
HazMat Incidence Response	service population	\$0.0553 * (population*2 + employment)
Engineering	const. value (70%), svc pop (30%)	(\$0.0049 * construction value) + \$2.86 * (population*2 + employment)
Transportation	street miles (80%), service population (20%)	(\$54,526 * street centerline miles) + \$1.89 * (population*2 + employment)
<b>Non-Departmental</b>	City FTEs @ 0.0036 per (population*2 + employment)	\$491.58 * City FTEs
Transfer to Airport	GF revenues	0.003% * general fund revenues
Transfer to Civic Center Fund	GF revenues	0.29% * general fund revenues
Transfer to Housing	GF revenues	0.29% * general fund revenues
Transfer to Transportation	GF revenues	0.43% * general fund revenues

Note: service population = population + employment.

## 3.0 IMPACT RESULTS

### 3.1 Impact Results

At build out, Luke Land Industrial Park would result in a moderate positive net fiscal impact to the City of \$184,000 per year, with expenditures exceeding revenues by 28 percent. Detailed impact results are shown in Appendix A. The property would generate some sales taxes from leases and direct sales and a moderate amount of property taxes that are sufficient to meet the expenditure requirements.

- In terms of sales tax, this analysis assumes a total of about 360,000 square feet of leased space that could generate an estimated \$43,000 per year in sales tax revenues. There would also be a small amount of taxable sales from the light industrial space resulting in a total of about \$442,000 per year in sales tax revenues by 2020. Sales tax revenues, while relatively small given that this annexation area does not include any retail, make up 74 percent of on-going revenues generated by this annexation area by 2023. In the preceding years there would be an estimated \$1.9 million in construction sales tax, which although non-recurring is a significant revenue source during the development period.
- With the addition of a total of 2.01 million square feet of industrial space, the increase in assessed value is estimated at \$137.8 million, resulting in a total of about \$71,000 per year in property tax revenues to the General Fund (Figure 6).
- Other major revenues in the General Fund include construction related fee revenues during the first seven years, as well as on-going utility and cable franchise fees.
- The largest on-going general fund expenditures for this area would be street maintenance (shown in the transportation and field operations line items), police and fire. Annual police and fire costs at build out are estimated at \$151,000 to serve the industrial park. Public safety costs make up about one third of on-going expenditures. There would also be non-recurring expenditures in the planning, building safety and economic development departments during the construction period.
- Luke Land Industrial Park would include an estimated 1.23 centerline miles of additional streets (or an estimated 4.17 lane miles), resulting in about \$191,000 in annual maintenance expenditures in the streets and transportation sales tax funds at build out, as shown in the impact results. This is based on an estimated average maintenance cost of \$229,100 per 5-lane mile of street (or \$45,820 per lane mile) provided by the city field operations department. Street maintenance costs are the largest on-going expenditures for this area.

**FIGURE 6  
SOCIOECONOMIC IMPACTS  
LUKE LAND INDUSTRIAL PARK**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Employment	608	992	1,216	1,341	1,465	1,465	1,910	1,910	1,910	1,910
Total Noresidential Sq Ft	639,974	1,044,446	1,279,947	1,411,239	1,542,531	1,542,531	2,010,000	2,010,000	2,010,000	2,010,000
Police Staff	0.14	0.23	0.28	0.31	0.33	0.33	0.44	0.44	0.44	0.44
Taxable Sales (millions)	\$8.27	\$13.76	\$17.21	\$19.35	\$21.57	\$22.00	\$29.25	\$29.83	\$30.43	\$31.04
Taxable Construction (millions)	\$27.04	\$17.09	\$9.95	\$5.55	\$5.55	\$0.00	\$19.75	\$0.00	\$0.00	\$0.00
Assessed Value (millions)	\$1.72	\$1.72	\$39.38	\$64.43	\$80.12	\$89.92	\$100.07	\$102.07	\$135.07	\$137.77
City Maintained Road Miles	0.15	0.70	0.78	1.04	1.04	1.04	1.23	1.23	1.23	1.23

### **3.2 Summary**

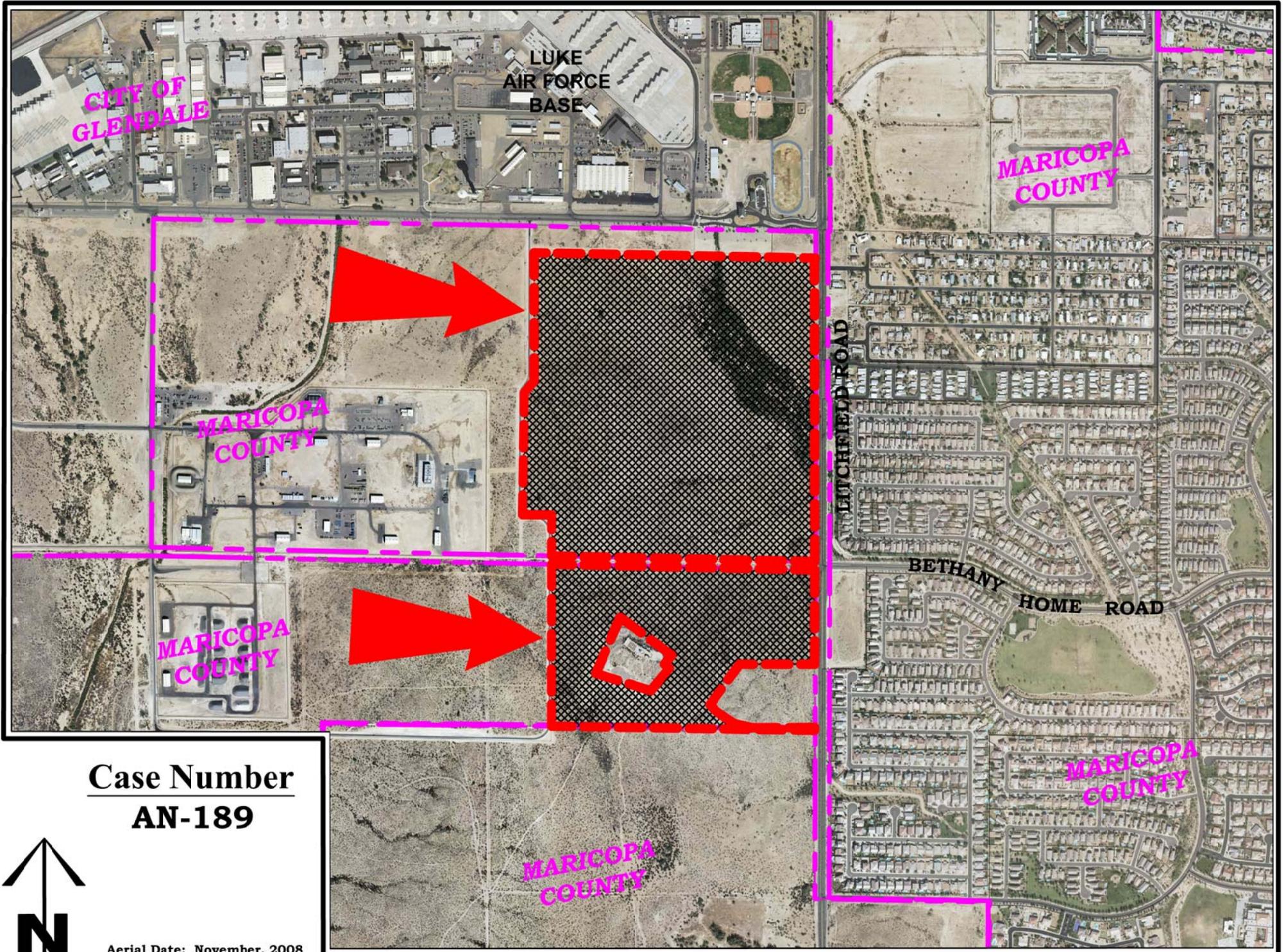
Over the long term, the Luke Land Industrial Park Annexation would generate a positive net fiscal impact to the City of Glendale given that projected development includes exclusively lower density nonresidential land uses and the potential for a modest amount of sales tax on leases and direct sales. The cost of city services is generally less for nonresidential development than for residential development, and in this case the amount of property and sales tax revenues generated by the future development in the proposed annexation area are more than enough to cover the cost of municipal services. Should future development plans or market conditions change significantly, the projected impact results could be quite different. However, based on the assumptions used here this area is fiscally sustainable and would be a positive addition to the city in terms of the net impacts.

## *APPENDIX A*



**APPENDIX A**  
**CITY OF GLENDALE ANNUAL NET IMPACT**  
**GENERAL, STREETS, TRANSPORTATION SALES TAX, POLICE AND FIRE SPECIAL REVENUE FUNDS**  
**LUKE LAND INDUSTRIAL PARK**

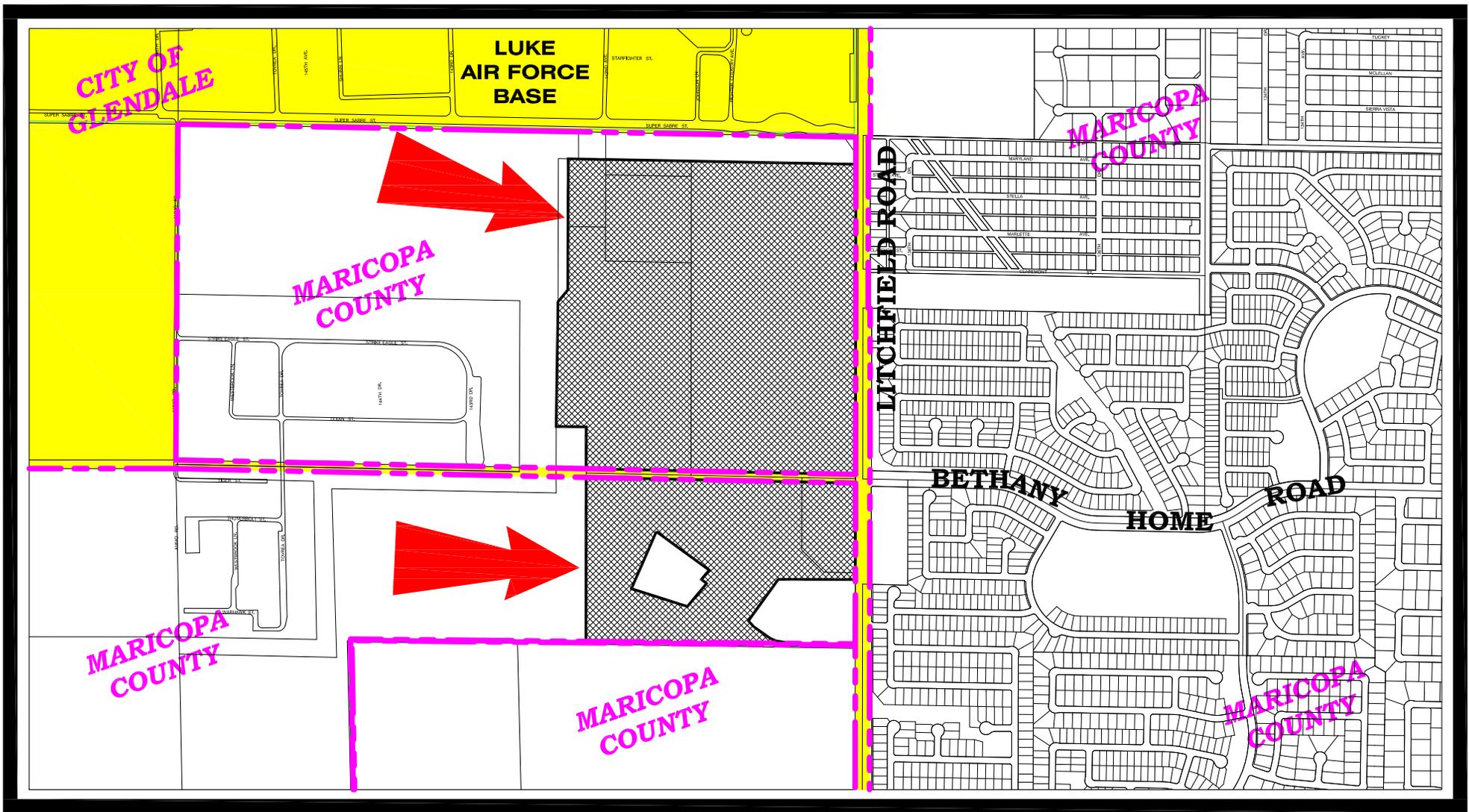
Revenues/Expenditures	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Public Works</b>										
Public Works Administration	\$1,384	\$987	\$1,088	\$966	\$1,197	\$944	\$2,014	\$1,178	\$1,202	\$1,226
Field Operations	\$11,347	\$15,237	\$39,082	\$44,106	\$56,981	\$58,121	\$63,957	\$73,370	\$74,838	\$76,335
HazMat Incidence Response	\$34	\$56	\$70	\$79	\$88	\$90	\$119	\$121	\$124	\$126
Engineering	\$207,616	\$135,613	\$82,436	\$48,887	\$50,251	\$4,623	\$175,502	\$6,268	\$6,393	\$6,521
Transportation	\$13,711	\$15,063	\$61,406	\$69,386	\$93,949	\$95,828	\$99,120	\$118,388	\$120,756	\$123,171
<b>Non-Departmental</b>	\$1,062	\$1,768	\$2,210	\$2,486	\$2,771	\$2,827	\$3,757	\$3,832	\$3,909	\$3,987
<b>Transfers</b>										
Transfer to Airport	-\$320	-\$248	-\$194	-\$165	-\$178	-\$123	-\$365	-\$161	-\$168	-\$171
Transfer to Civic Center Fund	-\$3,502	-\$2,713	-\$2,122	-\$1,808	-\$1,943	-\$1,344	-\$3,991	-\$1,763	-\$1,834	-\$1,871
Transfer to Housing	-\$3,571	-\$2,767	-\$2,164	-\$1,844	-\$1,982	-\$1,370	-\$4,071	-\$1,798	-\$1,870	-\$1,908
Transfer to Transportation	-\$5,296	-\$4,104	-\$3,210	-\$2,735	-\$2,939	-\$2,032	-\$6,037	-\$2,666	-\$2,774	-\$2,830
<b>OVERALL NET IMPACT</b>	<b>\$416,365</b>	<b>\$341,848</b>	<b>\$221,753</b>	<b>\$195,003</b>	<b>\$182,293</b>	<b>\$123,270</b>	<b>\$395,061</b>	<b>\$164,741</b>	<b>\$179,785</b>	<b>\$183,555</b>
<b>as percent of revenue</b>	<b>34%</b>	<b>36%</b>	<b>30%</b>	<b>31%</b>	<b>27%</b>	<b>26%</b>	<b>28%</b>	<b>27%</b>	<b>28%</b>	<b>28%</b>



**Case Number**  
**AN-189**



Aerial Date: November, 2008



## CASE NO. AN-189

**PROPOSED ANNEXATION OF APPROXIMATELY 167 ACRES  
AT THE NORTHWEST AND SOUTHWEST CORNERS OF LITCHFIELD  
ROAD AND BETHANY HOME ROAD.**



-  **Glendale City Boundaries**
-  **City of Glendale**
-  **Proposed Annexation**





# CITY COUNCIL REPORT

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Meeting Date: **2/5/2013**  
Meeting Type: **Workshop**  
Title: **DRAFT SCOPE OF WORK FOR FORENSIC AUDIT**  
Staff Contact: **Sherry Schurhammer, Executive Director, Financial Services Department**

## **Purpose and Policy Guidance**

This is a request for City Council to review the draft scope of work for a forensic audit and to provide direction on desired modifications to the draft so staff may proceed with issuing a Request for Proposal (RFP).

## **Background Summary**

Over the past several months, Councilmembers have individually expressed a desire to have a forensic audit conducted. A consensus of the Council was reached and direction was provided at a December 4, 2012 executive session to proceed with a forensic audit of the following funds:

- General Fund (GF)
- Enterprise Funds (sanitation, landfill, and water and sewer)
- Restricted Sales Tax Funds (transportation, police and fire)
- Risk Management Trust Fund
- Workers Compensation Trust Fund
- Employee Benefits Fund

Since the December 2012 executive session, a draft scope of work was developed after reviewing scopes of work that other entities have used for such services. Four RFP examples were found through websites for the American Institute of Certified Public Accountants (AICPA) and the Government Finance Officers Association (GFOA) and an example of a completed study was found from an Arizona city. After a careful review, the examples indicate that:

- An audit firm was the service provider being sought in four of the five examples with the remaining example using the services of a consultant that provides a wide range of services including management consulting;
- The scopes of work were individualized to address different circumstances at the agencies requesting the forensic audit;
- The scopes of work stated that the identified scope could be amended to include additional work depending on the findings and recommendations resulting from the initial scope of the forensic audit.



# CITY COUNCIL REPORT

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Given this information, a draft scope of work was prepared for Council to review and provide direction regarding modifications to the scope.

In general, the attached draft scope of work covers a comprehensive review and reconciliation of current and past fund practices in order to identify and quantify any abnormal financial activity, if any, during Fiscal Years (FY) 2009-10, 2010-11 and 2011-12. Further, the draft scope of work states that Council is seeking an explanation and detailed documentation for the depletion of the GF fund balance. This examination includes evaluating compliance with applicable city, state and federal laws.

The draft scope of work states that the auditing firm shall perform investigations and research to assure citywide compliance with generally accepted accounting principles (GAAP) as well as provide findings and recommendations, if any; to correct any identified accounting procedures or practices that are nonstandard or irregular. These findings and recommendations shall include cause and consequence of any instance, if any; of criminal activity, illegal acts, and potential fraudulent activity or civil liabilities.

The funds to be examined are those that Council identified at the December 5, 2012 executive session. Council may want to consider modifying that list to exclude the transportation sales tax fund because a different Request for Proposal (RFP) for a financial and performance audit will be issued within the next couple of months. An audit of the transportation sales tax fund is required every three years by city ordinance 2241 (February 12, 2002), which was established as a result of voter approval of Proposition 402 in 2001.

Following the completion of the audit, the draft scope of work states that the auditing firm will issue:

- A written report communicating all discovered abnormal financial activity, past or present, its quantification, cause and consequence including instances of criminal activities, illegal acts and potential fraudulent activity or civil liabilities that could support future legal action to the city.
- A letter to Mayor and Council indicating any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data in the financial statements.

The draft scope of work proposes that the selected auditing firm report to the City Manager while the forensic audit is underway, with the firm's draft and final report recommendations presented to the city's Audit Committee. The Audit Committee is comprised of two Councilmembers, two citizens with a financial background, preferably in public or internal auditing, and the City



# CITY COUNCIL REPORT

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Manager. For comparison purposes, the forensic audit examples referenced earlier in this report reflect a range of reporting structures:

- School superintendent (organization's administrative director) for a request for a RFP issued by a South Carolina school district board;
- Budget and Finance Department for a RFP issued by a county in Pennsylvania;
- City Council for a RFP issued by a city in Florida;
- City Attorney for a study conducted for the city of Surprise, Arizona.
- The reporting structure for the forensic audit requested by the state of Indiana's Housing and Community Development Authority was not clear.

The RFP will be issued following the city's competitive bid process with an evaluation committee evaluating proposals based on the selection criteria that are detailed in the draft scope of work. The solicitation process – from issuance of the RFP, evaluation of proposals by the evaluation committee, to interviews with the finalists, to requests for a best and final offer, to negotiation of a contract to bring forward to City Council – is expected to take at least five or six months.

## **Budget and Financial Impacts**

The cost of the forensic audit is unknown until a RFP solicitation is completed. Once this process is completed, a proposed contract award will be presented to Council along with a recommended funding source. For comparison purposes, the triennial performance audit for the transportation sales tax fund cost about \$215,700 when it was last completed in November 2011.

## **Attachments**

Other

# DRAFT



City of Glendale

## MEMORANDUM

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DATE: January 25, 2013  
TO: Mayor and Council  
FROM: Horatio Skeete, Acting City Manager  
SUBJECT: City of Glendale, Arizona - Forensic Audit

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### Scope of Work

The City of Glendale, Arizona will issue a Request for Proposals (RFP) in spring 2013 to solicit a response from qualified auditing firms to conduct a forensic accounting audit of selected internal city funds.

The successful, most responsive and most qualified auditing entity shall perform a forensic accounting examination involving a factual investigation deemed necessary to identify and quantify any abnormal financial activity, if any, during the following fiscal years (FY)

- FY 2009-2010 (July 1, 2009 – June 30, 2010)
- FY 2010-2011 (July 1, 2010 – June 30, 2011)
- FY 2011-2012 (July 1, 2011 – June 30, 2012)

The purpose of the forensic audit is to complete a comprehensive review and reconciliation of current and past fund accounting practices. This examination includes evaluating compliance with applicable city, state and federal laws.

The funds covered by this scope of work are the following:

- General Fund (GF)
- Enterprise Funds (sanitation, landfill, and water and sewer)
- Restricted Sales Tax Funds (transportation, police and fire)
- Risk Management Trust Fund
- Workers Compensation Trust Fund
- Employee Benefits Fund

# DRAFT

It should be noted that City Council also is seeking an explanation and detailed documentation for the depletion of the GF fund balance. For the GF, the city started FY 2008-09 with a \$66.4M fund balance [on a CAFR (Comprehensive Annual Financial Report-basis)]. At the end of FY 2011-12, that fund balance declined to a negative (\$26,649) on a CAFR-basis.

The selected auditing firm should have an established capacity to perform forensic accounting procedures for government organizations such as the City of Glendale, and be able to conduct a forensic examination that will include findings and recommendations to correct nonstandard, irregular accounting procedures or practices or policies.

During the course of the initial investigation, the scope of work may be further expanded or altered at the recommendation and approval by the City of Glendale, Arizona (Glendale) Mayor and Council. It is possible that the initial forensic audit may uncover new facts, unknown data or relevant queries that could change the scope of the audit.

The auditing firm shall perform investigations and research to assure citywide compliance with generally accepted accounting principles (GAAP) and keep city management informed of any findings on a routine basis.

In addition the forensic audit will include a comprehensive review of all types of payments including, but not limited to:

- Automatic payments
- All type of deposits
- All types of procedures
- Signature authorizations
- Miscellaneous documentation and other pertinent authorizations

The forensic audit will include a thorough review of internal control systems including:

- Cash
- Personal checks (including Payroll)
- Credit cards
- Online payments
- Other payment transactions and internal controls

The criteria for evaluating the submitted proposals are the following:

- Firm's Understanding of the Project. This criterion addresses the firm's understanding of the project as discussed in the firm's bid proposal. Each firm's proposal shall discuss the highlights, key features and distinguishing points of its approach to undertaking and completing the project. This criterion also includes the firm's approach to examination including the adequacy of sampling techniques and adequacy of analytical procedures. Further, the firm's proposal must demonstrate it is able to fulfill the city's other specifications as identified in the Request for Proposal (RFP). **40%**

# DRAFT

- Firm's Capability. This criterion addresses the firm's track record in completing comparable work for other local government agencies in the western United States within the last five years and to complete such work on time and within budget. The capability and availability of the consultant will be part of this evaluation. Also included in this criterion is the quality of personnel assigned to the project (education, position in firm, years and types of comparable experience). Special consideration will be given to the ability and experience of the project manager. **30%**
- Overall Price. The maximum aggregate fee proposed for this performance audit. **15%**
- References. Firms will be required to provide three references from other local government agencies in the western United States for which it has completed comparable projects within the last five years. **15%**

## **Cost to Provide Services**

Glendale recognizes and understands that the Scope of Work is broad and subject to change. In addition, the city is cognizant of the fact that budgets may be difficult to provide in response to this forensic audit. However, as a government entity, cost is an important factor. It is possible that once the auditing firm initiates a wide-ranging evaluation and audit, the firm will uncover new facts that could change the scope of the audit and impact the cost significantly.

To assess the funding necessary to complete a thorough forensic audit, the auditing firm must provide a budget to perform the base services along with a supplemental expenditure sheet detailing hourly rates to provide those services.

## **Reports to be Issued**

The auditing firm will report to the City Manager. The firm's draft and final report recommendations will be presented to the city's Audit Committee that is comprised of two Councilmembers, two citizens with a financial background preferably in public or internal auditing and the City Manager.

Following the completion of the audit, the auditing firm shall issue:

1. A written report communicating all discovered abnormal financial activity, past or present, its quantification, cause and consequence including instances of criminal activities, illegal acts and potential fraudulent activity or civil liabilities that could support future legal action to the city.
2. A letter to Mayor and Council indicating any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data in the financial statements.



# CITY COUNCIL REPORT

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Meeting Date: **2/5/2013**  
Meeting Type: **Workshop**  
Title: **AMENDED AND RESTATED TRIBAL WATER RIGHTS SETTLEMENT AND LEASE AGREEMENT**  
Staff Contact: **Craig Johnson, P.E., Executive Director, Water Services**  
**Doug Kukino, Environmental Resources Director**

## **Purpose and Policy Guidance**

Minor revisions have been made to the agreement settling the water rights claims of the White Mountain Apache Tribe (WMAT) and the lease of the Tribe's Central Arizona Project (CAP) water by Glendale and others. Because of these changes resulting from Federal legislation approving the settlement, all parties, including Glendale, must reaffirm the document by adopting the Amended and Restated White Mountain Apache Tribe Water Quantification and Lease Agreement.

This is for Council information and study only. This item will be presented at a future voting meeting for formal adoption by Council.

## **Background Summary**

Since 1988, Glendale and other water users in Central Arizona have worked to settle claims made by Native American tribes to water in the Gila, Salt, and Verde rivers. Claims by several tribes have already been settled. The settlement resolves a significant water right claim to the Salt River and leverages a large federal investment.

The final settlement enforceability date is contingent on obtaining legal approval by the stream adjudication court and federal environmental approval, which could take from 18 months to two years.

## **Previous Related Council Action**

On February 24, 2009, Council adopted Resolution No. 4235, New Series, approving and authorizing the WMAT Water Rights Settlement Agreement. Legislation to authorize the WMAT Settlement Agreement was subsequently enacted by Congress as the White Mountain Apache Tribe Water Rights Quantification Act of 2010. Federal legislation was required to settle federal reserved water rights and to secure federal funds for the needed water infrastructure. In finalizing the settlement at the federal level, there were certain non-substantive changes made to the agreement. These changes necessitate the city adopt an Amended and Restated White Mountain Apache Tribe Water Quantification Agreement to ensure that the agreement conforms to the federal legislation settling the water rights claims.



# CITY COUNCIL REPORT

## Community Benefit/Public Involvement

As a party to the settlement, Glendale will receive past, present, and future waivers from the WMAT and the U.S. relating to any water rights claims of the WMAT. This will provide certainty and predictability regarding future water supplies. Glendale will have greater flexibility regarding the location of where CAP water leased from the Tribe may be used within the city.

## Budget and Financial Impacts

Cost	Fund-Department-Account
\$3,197,330	Upon Council approval, a new account within Fund 2400 will be created for Additional Water Supply by FY 2014
\$3,197,330	Upon Council approval, a new account within Fund 2400 will be created for Additional Water Supply by FY 2015

Capital Expense? Yes  No

Budgeted? Yes  No

Requesting Budget or Appropriation Transfer? Yes  No

If yes, where will the transfer be taken from?

## Attachments

Staff Report

Resolution

Agreement

Other

Excerpt of Meeting Minutes



# STAFF REPORT

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To: **Horatio Skeete, Acting City Manager**  
From: **Craig Johnson, P.E., Executive Director, Water Services**  
**Doug Kukino, Environmental Resources Director**  
Item Title: **AMENDED AND RESTATED TRIBAL WATER RIGHTS SETTLEMENT AND LEASE AGREEMENT**  
Requested Council Meeting Date: **2/5/2013**  
Meeting Type: **Workshop**

## **PURPOSE**

This report contains information on updates and status of minor revisions to the agreement settling the water rights claims of the White Mountain Apache Tribe and the lease of the Tribe's Central Arizona Project (CAP) water by Glendale and others. Because of minor changes to the agreement as a result of Federal legislation approving the settlement, all parties including Glendale, must reaffirm the document. The purpose of this report is to provide Council with information and provide staff an opportunity to answer questions in a workshop setting. This item will be moving forward to a voting meeting.

## **BACKGROUND**

The White Mountain Apache Tribe (WMAT) Water Rights Quantification Agreement settles the WMAT's water rights claims in the Gila River and the Little Colorado River General Stream adjudications, and provides certainty to water users in central Arizona about their future water supplies. Parties to the settlement agreement included the United States Bureau of Reclamation; the State of Arizona; the Salt River Project Agricultural Improvement and Power District; the Salt River Valley Water Users' Association; the Roosevelt Water Conservation District; Arizona Water Company; the Arizona cities of Phoenix, Mesa, Tempe, Chandler, Scottsdale, Avondale, Peoria, and Show Low; the Arizona town of Gilbert; Buckeye Irrigation Company; Buckeye Water Conservation and Drainage District; and the Central Arizona Water Conservation District.

In 2009, the city adopted Resolution No. 4235, New Series, approving and authorizing the WMAT Water Rights Settlement Agreement. Legislation to authorize the WMAT Settlement Agreement was subsequently enacted by Congress as the White Mountain Apache Tribe Water Rights Quantification Act of 2010 (Act). Federal legislation was required to settle federal reserved water rights and to secure federal funds for the needed water infrastructure. In finalizing the settlement at the federal level, there were certain non-substantive changes made to the agreement. These changes necessitate the city adopt an Amended and Restated White Mountain Apache Tribe Water Quantification Agreement to ensure that the agreement conforms to the federal legislation settling the water rights claims. An exhibit to the Quantification Agreement allows the city to receive up to



## STAFF REPORT

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2,363 acre-feet of Central Arizona Project (CAP) water per year through a 100-year lease with the WMAT and the U.S. Bureau of Reclamation.

The Amended and Restated Agreement that will be presented for Council approval at a later date includes minor changes that were made to conform the 2009 version of the settlement agreement to the Act. Those changes include:

- Corrected cross-references to the Act
- Additional cross-references to the Act
- Corrected definitions to conform to the Act
- Incorporated certain language of the Act into the Agreement
- Refined language regarding the firming of CAP Non-Indian Agriculture (NIA) Priority Water to conform to the Act

There were no substantive changes affecting Glendale. The Board of the Central Arizona Water Conservation District has already approved the Amended and Restated Agreement and the approval process for the other parties is underway.

### **ANALYSIS**

Since 1988, Glendale and other water users in Central Arizona have worked to settle claims made by Native American tribes to water in the Gila, Salt, and Verde rivers. Claims by several tribes have already been settled: Salt River Pima-Maricopa Indian Community (1988), the Fort McDowell Indian Community (1990), and the Gila River Indian Community (2005). The WMAT settlement is the last major Native American water rights claim in Central Arizona to be resolved.

The WMAT reservation is located at the headwaters of the Salt River and the tribe has a federal reserved water right with a priority date as early as 1871. The tribe claimed approximately 179,000 acre-feet (af) per year of water in the Arizona General Stream Adjudication. Based on the reservation's location within the Salt River system and relatively early priority date, any depletions of Salt River system water by the WMAT has a direct impact on Glendale's water supplies provided through Salt River Project (SRP) and Modified Roosevelt Dam (Plan 6).

The settlement resolves a significant water right claim to the Salt River and leverages a large federal investment. The settlement allocates to the WMAT a total annual water right of 52,000 af through a combination of surface water and CAP water. Of this 52,000 af per year allocation, 27,000 af is surface water and 25,000 af is CAP water. Most of the CAP water for the WMAT settlement was already set aside for future settlements under the Arizona Water Settlement Act of 2004 (AWSA). The Salt River Project agreed to provide 27,000 af, or approximately 3% of its surface water supply, to the Tribe. In addition to the 25,000 af per year of CAP water, the United



## STAFF REPORT

States is providing several hundred million dollars to the tribe for dam construction and delivery infrastructure.

Almost half of the WMAT water budget comes from CAP water that is allocated to the WMAT. This replaces water that would otherwise have come from the Salt River watershed. This means that less water is being depleted from the Salt River watershed because CAP water is substantially being used to fill the WMAT water budget.

Although the settlement results in a loss of approximately 1,750 af (per year) of surface water to Glendale from the Salt River Project, the agreement provides an opportunity for the city to lease up to 2,363 af of water per year of water from the WMAT through a 100-year lease. This CAP water may be used anywhere within the city's service area and not just within the boundaries of the Salt River Project reservoir district.

The WMAT Quantification Agreement represents a mutually beneficial solution where the WMAT and the cities worked together to resolve competing claims to water. Through the settlement, the WMAT is receiving water and financial resources for their future needs while the tribe is mitigating adverse impacts to the cities by leasing its CAP water to the cities.

As a party to the settlement, Glendale will receive past, present, and future waivers from the WMAT and the federal government relating to any water rights claims of the WMAT. This will provide certainty and predictability regarding future water supplies. Glendale will have greater flexibility regarding the location of where WMAT-leased water may be used within the city.

### **FISCAL IMPACTS**

The 2,363 af of water is comprised of several types of CAP water, 649 af is high-priority Municipal & Industrial (M&I) and Harquahala Valley Irrigation District (HVID) water while 1,714 af is lower-priority NIA water. The one-time lease cost of \$5,209,786 represents the market value of each water supply and is expressed in 2008 dollars when the agreement was negotiated. The actual or final cost will be adjusted by the Consumer Price Index since 2008, and will depend on the final settlement enforceability date which is anticipated to be 2015. The final settlement enforceability date is contingent on obtaining legal approval by the stream adjudication court and federal environmental approval, which could take from 18 months to two years.

The city has calculated the lease amount of the WMAT water settlement using a base year of 2008, as affected by the Consumer Price Index. The Water Services Department has included the one-time cost of the water lease in its CIP budget in FY 2014 and 2015. Based on a conservative Consumer Price Index inflation rate since 2008, Water Services has budgeted amounts of \$3,197,330 in FY2013-14 (4th quarter) and \$3,197,330 in FY2014-15 (1st quarter).



# STAFF REPORT

The lease information is shown in the following chart:

Sources of Water Leased from WMAT	Amount (per year)	Acquisition Cost (100-year lease in 2008 dollars)	Total (one-time lease cost in 2008 dollars)
HVID CAP Water	91 acre-feet (af)	\$2,550 per af	\$232,050
CAP NIA M&I Equivalent Priority Water	558 acre-feet (af)	\$2,550 per af	\$1,422,900
CAP NIA Priority Water	1,714 acre-feet	\$2,074 per af	\$3,554,836
<b>TOTAL</b>	<b>2,363 acre-feet</b>		<b>\$5,209,786</b>

Once the agreement becomes enforceable, Glendale may pay the full amount without interest within 30 days after the term begins or may pay half the total amount and the remaining amount in four annual payments. These deferred payments include interest. The Water Services Department has budgeted a total of \$6,394,660 in its Capital Improvement Plan budgets for the one-time cost of securing the water lease, divided equally in FY2014 and FY2015.

When the water is delivered, the parties leasing the water will also have to pay all CAP fixed Operation, Maintenance, and Replacement charges and all CAP pumping energy charges associated with the leased water. Funds for these on-going costs of the lease water ordered by the city will be paid from the Water Services Department's raw water account in its annual operational and maintenance budget.

RESOLUTION NO. \_\_\_\_\_ NEW SERIES

A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING AND DIRECTING THE ENTERING INTO OF THE LEASE AGREEMENT FOR CENTRAL ARIZONA PROJECT WATER AMONG THE CITY OF GLENDALE, THE WHITE MOUNTAIN APACHE TRIBE AND THE UNITED STATES; AND THE AMENDED AND RESTATED WHITE MOUNTAIN APACHE TRIBE WATER RIGHTS QUANTIFICATION AGREEMENT AND ALL ASSOCIATED EXHIBITS THERETO.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That it is deemed in the best interest of the City of Glendale and the citizens thereof that the Lease Agreement for Central Arizona Project Water among the City of Glendale, the White Mountain Apache Tribe and the United States be entered into, which Agreement is now on file in the office of the City Clerk of the City of Glendale.

SECTION 2. That the City Council further approves of the Amended and Restated White Mountain Apache Tribe Water Rights Quantification Agreement among the United States of America; the State of Arizona; the White Mountain Apache Tribe; the Salt River Project Agricultural Improvement and Power District; the Salt River Valley Water Users' Association; the Roosevelt Water Conservation District; Arizona Water Company; the Arizona Cities of Phoenix, Mesa, Tempe, Chandler, Scottsdale, Avondale, Peoria and Show Low; the Arizona Town of Gilbert; Buckeye Irrigation Company; Buckeye Water Conservation and Drainage District; and the Central Arizona Water Conservation District and all associated exhibits, which Agreement and exhibits are now on file in the office of the City Clerk of the City of Glendale.

SECTION 3. That the Mayor or City Manager and the City Clerk be authorized and directed to execute and deliver any and all necessary documents on behalf of the City of Glendale.

SECTION 4. That the City officers and employees be and they hereby are authorized and directed to perform all acts necessary to give effect to this Resolution.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_

M A Y O R

ATTEST:

\_\_\_\_\_  
City Clerk (SEAL)

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

REVIEWED BY:

\_\_\_\_\_  
Acting City Manager

*Dated as of November 1, 2012*

**AMENDED AND RESTATED  
WHITE MOUNTAIN APACHE TRIBE WATER RIGHTS  
QUANTIFICATION AGREEMENT**

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**AMENDED AND RESTATED WHITE MOUNTAIN APACHE TRIBE WATER  
RIGHTS  
QUANTIFICATION AGREEMENT**

This Amended and Restated White Mountain Apache Tribe Water Rights Quantification Agreement, dated as of November 1, 2012, amends and restates the White Mountain Apache Tribe Water Rights Quantification Agreement dated January 13, 2009 in accordance with Section 309(d)(1)(A)(i) of the White Mountain Apache Tribe Water Rights Quantification Act of 2010, P.L. 111-291, Title III, 124 Stat. 3064, 3073 (2010), and is entered into among the United States of America; the State of Arizona; the White Mountain Apache Tribe; the Salt River Project Agricultural Improvement and Power District; the Salt River Valley Water Users' Association; the Roosevelt Water Conservation District; Arizona Water Company; the Arizona Cities of Phoenix, Mesa, Tempe, Chandler, Glendale, Scottsdale, Avondale, Peoria and Show Low; the Arizona town of Gilbert; Buckeye Irrigation Company; Buckeye Water Conservation and Drainage District; and the Central Arizona Water Conservation District.

**1.0 RECITALS**

**1.1** Proceedings to determine the nature and extent of the rights to water of the White Mountain Apache Tribe, its Members, the United States, and other claimants are pending in the Gila River Adjudication Proceedings and the Little Colorado River Adjudication Proceedings.

**1.2** Recognizing that final resolution of these pending proceedings may take many years, entail great expense, prolong uncertainty concerning the availability of water supplies, and seriously impair the long-term economic well-being of all Parties, the White

Mountain Apache Tribe, its neighboring non-Indian communities and other Arizona water users have agreed to permanently quantify the water rights of the White Mountain Apache Tribe, its Members and the United States acting in its capacity as trustee for the White Mountain Apache Tribe and its Members as provided in this Agreement and to seek funding, in accordance with applicable law, for the implementation of this Agreement.

**1.3** In keeping with its trust responsibility to Indian Tribes and to promote tribal sovereignty and economic self-sufficiency, it is the policy of the United States to wherever possible quantify water rights claims of Indian Tribes without lengthy and costly litigation.

NOW, THEREFORE, the Parties agree as follows:

**2.0 DEFINITIONS**

For purposes of this Agreement, the following terms shall have the meanings set forth below:

**2.1** “Active Conservation Capacity” shall mean that portion of the capacity of a reservoir that may be used to Divert Water or operated to release Water for irrigation, power, M&I, or other Water Diversions.

**2.2** “Act” shall mean the White Mountain Apache Tribe Water Rights Quantification Act of 2010, P.L. 111-291, Title III, 124 Stat. 3064, 3073 (2010), a copy of which is attached as Exhibit 2.2.

**2.3** “AFY” shall mean acre-feet per Year.

**2.4** “Agreement” shall mean: (1) the Amended and Restated White Mountain Apache Tribe Water Rights Quantification Agreement dated as of November 1, 2012, which amends and restates the White Mountain Apache Tribe Water Rights Quantification Agreement dated January 13, 2009 in accordance with Section 309(d)(1)(A)(i) of the Act; and (2) any amendment or exhibit (including exhibit amendments) to the Agreement that are (i) made in accordance with the Act, or (ii) otherwise approved by the Secretary.

**2.5** “Arizona Water Banking Authority” shall mean the Arizona Water Banking Authority, formed pursuant to A.R.S. §§45-2401 et seq.

**2.6** “Arizona Water Company” shall mean the Arizona corporation of that name, its subsidiaries and affiliates.

**2.7** “Available CAP Supply” shall mean for any given Year all Fourth Priority Water available for delivery through the CAP System, Water available from CAP dams and reservoirs other than Modified Roosevelt Dam, and return flows captured by the Secretary for CAP use.

**2.8** “AWSA” shall mean the Arizona Water Settlements Act, P.L. 108-451, 118 Stat. 3478 (2004).

**2.9** “Buckeye Irrigation Company” shall mean the corporation of that name organized under the laws of the Arizona Territory in 1907.

**2.10** “Buckeye Water Conservation and Drainage District” shall mean the entity of that name that is a political subdivision of the State and an irrigation district with the power of drainage organized under the laws of the State.

**2.11** “CAP” or “Central Arizona Project” shall mean the reclamation project authorized and constructed by the United States in accordance with Title III of the Colorado River Basin Project Act (43 U.S.C. §1521 et seq.).

**2.12** “CAP Contract” shall mean a long-term contract, as that term is used in the CAP Repayment Stipulation, for delivery of CAP Water.

**2.13** “CAP Contractor” shall mean an individual or entity that has entered into a long-term contract, as that term is used in the CAP Repayment Stipulation, with the United States for delivery of water through the CAP System.

**2.14** “CAP Fixed OM&R Charge” shall mean ‘Fixed OM&R Charge’ as that term is defined in the CAP Repayment Stipulation.

**2.15** “CAP Indian Priority Water” shall mean that CAP Water having an Indian delivery priority under the CAP Repayment Contract.

**2.16** “CAP M&I Priority Water” shall mean that CAP Water having a municipal and industrial delivery priority under the CAP Repayment Contract.

**2.17** “CAP NIA Priority Water” shall mean that water deliverable under a CAP Contract or CAP Subcontract providing for the delivery of non-Indian agricultural priority water.

**2.18** “CAP Operating Agency” shall mean the entity or entities authorized to assume responsibility for the care, operation, maintenance and replacement of the CAP System. CAWCD is the CAP Operating Agency at the time of execution of this Agreement.

**2.19** “CAP Pumping Energy Charge” shall mean the ‘Pumping Energy Charge’ as that term is defined in the CAP Repayment Stipulation.

**2.20** “CAP Pumping Energy Costs” shall mean ‘Pumping Energy Costs’ as that term is defined in the CAP Repayment Stipulation.

**2.21** “CAP Repayment Contract” shall mean: (1) the contract between the United States and CAWCD for Delivery of Water and Repayment of Costs of the CAP, numbered 14-06-W-245 (Amendment No. 1), and dated December 1, 1988; and (2) any amendment to, or revision of, that contract.

**2.22** “CAP Repayment Stipulation” shall mean the Stipulated Judgment and the Stipulation for Judgment (including any exhibits to those documents) entered on November 21, 2007, in the United States District Court for the District of Arizona in the consolidated civil action styled Central Arizona Water Conservation District v. United States, et al., and numbered CIV 95-625-TUC-WDB (EHC) and CIV 95-1720-PHX-EHC.

**2.23** “CAP Subcontract” shall mean a long-term subcontract, as that term is used in the CAP Repayment Stipulation, with the United States and the Central Arizona Water Conservation District for the delivery of water through the CAP System.

**2.24** “CAP Subcontractor” shall mean an individual or entity that has entered into a long term subcontract, as that term is used in the CAP Repayment Stipulation, with the United States and the Central Arizona Water Conservation District for the delivery of water through the CAP System.

**2.25** “CAP System” shall mean: (A) the Mark Wilmer Pumping Plant; (B) the Hayden-Rhodes Aqueduct; (C) the Fannin-McFarland Aqueduct; (D) the Tucson Aqueduct; (E) any pumping plant or appurtenant works of a feature described in any of (A) through (D); and (F) any extension of, addition to, or replacement for a feature described in any of (A) through (E).

**2.26** “CAP Water” shall mean ‘Project Water’ as that term is defined in the CAP Repayment Stipulation.

**2.27** “CAWCD” or “Central Arizona Water Conservation District” shall mean the political subdivision of the State that is the contractor under the CAP Repayment Contract.

**2.28** “Cities” shall mean the municipalities of Avondale, Chandler, Gilbert, Glendale, Mesa, Peoria, Phoenix, Scottsdale and Tempe.

**2.29** “CSIF” shall mean the “CAP/SRP Interconnection Facility” that connects the Hayden-Rhodes Aqueduct of the CAP System to SRP’s Water delivery system.

**2.30** “Depletion” or “Deplete” shall mean the amount of Water Diverted less return flows to the Salt River or Little Colorado River Watershed from which it was Diverted.

**2.31** “Diversion” shall mean the act of Diverting.

**2.32** “Divert” or “Diverting” shall mean to receive, withdraw or develop and produce or capture Groundwater, Surface Water, CAP Water or Effluent by means of a ditch, canal, flume, bypass, pipeline, pit, collection or infiltration gallery, conduit, well, pump, turnout, dam, or other mechanical device or any other human act.

**2.33** “Effluent” shall mean Water that has been used for domestic, municipal or industrial purposes and that is available for use for any purpose, but Water shall not become Effluent solely as a result of having been used for hydropower generation on the Reservation.

**2.34** “Enforceability Date” shall mean the date described in Section 309(d)(1) of the Act.

**2.35** “Excess CAP Water” shall mean ‘Excess Water’ as that term is defined in the CAP Repayment Stipulation.

**2.36** “Excess CAP Water Contract” shall mean a contract between any person or entity and CAWCD for the delivery of Excess CAP Water.

**2.37** “Excess CAP Water Contractor” or “Excess CAP Water Contractors” shall mean one or more persons or entities having an Excess CAP Water Contract.

**2.38** “Exhibit” shall mean an exhibit to this Agreement as set forth in Paragraph 3.0.

**2.39** “Fourth Priority Water” shall mean Colorado River water available for delivery within the State of Arizona for satisfaction of entitlements: (1) pursuant to contracts, Secretarial reservations, perfected rights, and other arrangements between the United States and water users in the State entered into or established subsequent to September 30, 1968, for use on Federal, State, or privately owned lands in the State (for a total quantity not to exceed 164,652 acre-feet of diversions annually); and (2) after first providing for the delivery of water under 43 U.S.C. § 1524(e), pursuant to the CAP Repayment Contract for the delivery of Colorado River water for the CAP including use of Colorado River water on Indian lands.

**2.40** “Gila River Adjudication Court” shall mean the Superior Court of the State of Arizona in and for the County of Maricopa exercising jurisdiction over the Gila River Adjudication Proceedings.

**2.41** “Gila River Adjudication Proceedings” shall mean that action pending in the Superior Court of the State of Arizona in and for the County of Maricopa styled *In re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-1 (Salt), W-2 (Verde), W-3 (Upper Gila), W-4 (San Pedro) (Consolidated)*.

**2.42** “Groundwater” shall mean all Water beneath the surface of the Earth other than Surface Water.

**2.43** “HVID CAP Water” shall mean that water that was acquired by the Secretary through the permanent relinquishment of the Harquahala Valley Irrigation District CAP Subcontract entitlement in accordance with Contract No. 3-07-30-W0290 among

CAWCD, Harquahala Valley Irrigation District and the United States, and converted to CAP Indian Priority Water pursuant to the Fort McDowell Indian Community Water Rights Settlement Act of 1990, P.L. 101-628 Title IV, 104 Stat. 4468, 4480.

**2.44** “Injury to Water Rights” shall mean an interference with, diminution of, or deprivation of, a Water Right under Federal, State or other law. The term “Injury to Water Rights” includes a change in the Groundwater table and any effect of such a change. The term “Injury to Water Rights” does not include any injury to water quality.

**2.45** “Large Reservoir” shall mean a Water storage reservoir located entirely on the Reservation with an Active Conservation Capacity exceeding 2,000 acre-feet.

**2.46** “Lease Agreement” –

**2.46.1** “CAWCD Lease Agreement” shall mean the agreement entered into among the WMAT, the Secretary and CAWCD pursuant to Paragraph 10.0, the form of which is attached as Exhibit 10.2.1.

**2.46.2** “City Lease Agreement” shall mean one or more of those agreements entered into among the WMAT, the Secretary, and one or more of the Cities pursuant to Paragraph 10.0, the forms of which are attached as Exhibits 10.1.1A through 10.1.1H.

**2.47** “Leased Water” shall mean the WMAT CAP Water that is leased to a City pursuant to a City Lease Agreement or CAWCD pursuant to the CAWCD Lease Agreement.

**2.48** “Leasing Cities” for purposes of Paragraph 10.0 shall mean the Cities of Avondale, Chandler, Gilbert, Glendale, Mesa, Peoria, Phoenix, and Tempe.

**2.49** “Little Colorado River Adjudication Court” shall mean the Superior Court of the State of Arizona in and for the County of Apache exercising jurisdiction over the Little Colorado River Adjudication Proceedings.

**2.50** “Little Colorado River Adjudication Proceedings” shall mean that action pending in the Superior Court of the State of Arizona in and for the County of Apache styled *In re the General Adjudication of All Rights to Use Water in the Little Colorado River System and Source, CIV No. 6417*.

**2.51** “Little Colorado River Watershed” shall mean all lands located within the Surface Water drainage of the Little Colorado River and its tributaries within the State of Arizona.

**2.52** “M&I Use” or “M&I Uses” shall mean the Diversion of Water for domestic, residential, municipal, industrial, and commercial uses, which are served by a municipal water delivery system.

**2.53** “Maximum Annual Depletion Amount” shall mean the maximum amount of Water depleted per Year as set forth in Paragraph 4.0 and Subparagraphs 5.1, 5.2, and 5.3.

**2.54** “Maximum Annual Diversion Amount” shall mean the maximum amount of Water Diverted per Year as set forth in Paragraph 4.0 and Subparagraphs 5.1, 5.2, and 5.3.

**2.55** “Member” or “Members” shall mean any person or persons duly enrolled as members of the White Mountain Apache Tribe.

**2.56** “Net SRP Reservoir Storage” shall mean that amount of Water physically stored in SRP Reservoirs on May 1 of each year less water storage credits calculated by SRP for Water stored for the United States on behalf of the San Carlos Apache Tribe and the Bureau of Reclamation, the Salt River Pima-Maricopa Indian Community, the Fort McDowell Mohave-Apache Indian Community, the Gila River Indian Community, RWCD, the Buckeye Irrigation Company, the Buckeye Water Conservation and Drainage District, the City of Phoenix, the City of Tempe, the City of Scottsdale, the City of Mesa, the City of Glendale, and the City of Chandler. The storage credits referenced in the preceding sentence shall be those credits provided under the terms and conditions of judgments and agreements with the entities specified above as those judgments and agreements exist on January 1, 2008. The amount of Water physically stored in SRP Reservoirs used to perform the calculations of Net SRP Reservoir Storage pursuant to this Agreement shall not exceed SRP’s storage rights, as determined in the Gila River Adjudication, for SRP Reservoirs.

**2.57** “Off-Reservation Trust Land” shall mean land: (1) located outside the exterior boundaries of the Reservation that is held in trust by the United States for the benefit of the WMAT as of the Enforceability Date; and (2) depicted on the map attached as Exhibit 2.57.

**2.58** “Paragraph” shall mean a numbered paragraph of this Agreement including all Subparagraphs in such Paragraph.

**2.59** “Party” shall mean an entity represented by a signatory to this Agreement and “Parties” shall mean more than one of such entities. The State’s participation as a Party shall be as described in Subparagraph 16.5. The United States’ participation as a Party shall be in the capacity as described in Subparagraph 2.72.

**2.60** “Plan 6 Cities” shall mean the Arizona cities of Chandler, Glendale, Mesa, Phoenix, Scottsdale, and Tempe.

**2.61** “Roosevelt Water Conservation District” or “RWCD” shall mean the entity of that name that is a political subdivision of the State and an irrigation district organized under the laws of the State.

**2.62** “Salt River Reservoir System” shall mean the four reservoirs operated by SRP on the Salt River created by the impoundment of Water behind Stewart Mountain Dam, Mormon Flat Dam, Horse Mesa Dam, and Modified Theodore Roosevelt Dam and any dams that are constructed after December 31, 2008, to the extent that they replace and do not exceed then-existing storage capacity of any of those four dams.

**2.63** “Salt River Watershed” shall mean all lands located within the Surface Water drainage of the Salt River and its tributaries.

**2.64** “Secretary” shall mean the Secretary of the United States Department of the Interior.

**2.65** “SRP” shall mean the Salt River Project Agricultural Improvement and Power

District, a political subdivision of the State, and the Salt River Valley Water Users' Association, an Arizona Territorial Corporation.

**2.66** “SRP Reservoirs” shall mean the Salt River Reservoir System plus the Verde River Reservoir System.

**2.67** “SRRD” shall mean the Salt River Reservoir District as defined on December 31, 2007 in Article IV, Section 3, of the Articles of Incorporation of the Salt River Valley Water Users’ Association.

**2.68** “State” shall mean the State of Arizona.

**2.69** “Subparagraph” shall mean a numbered subparagraph of this Agreement.

**2.70** “Surface Water” shall mean all Water that is appropriable under State law. For purposes of the definition of “Water Right” in Paragraph 12.0, the term “Surface Water” shall also include Colorado River water.

**2.71** “Total Water Lease Charge” shall mean that amount described in Subparagraph 10.1.1.2 and as described in Subparagraph 4.3 of the City Lease Agreement.

**2.72** “United States” or “United States of America” in any given reference herein shall mean the United States acting in the capacity as set forth in said reference. When the term “United States” or “United States of America” is used in reference to a particular agreement or contract, the term shall mean the United States acting in the capacity as set forth in such agreement or contract.

**2.73** “Use” shall mean any beneficial use including instream flows, recharge, underground storage, recovery or any other use recognized as beneficial under applicable law.

**2.74** “Verde River Reservoir System” shall mean the two reservoirs operated by SRP on the Verde River created by the impoundment of Water behind Bartlett Dam and Horseshoe Dam, and any dams that are constructed after December 31, 2008, to the extent that they replace and do not exceed then-existing storage capacity of any of those two dams.

**2.75** “Water” when used without a modifying adjective shall mean Groundwater, Surface Water, CAP Water, or Effluent.

**2.76** “Water Code” shall mean that tribal ordinance to be adopted by the WMAT pursuant to Paragraph 15.0.

**2.77** “Water Right” shall mean any right in or to Groundwater, Surface Water or Effluent under Federal, State, or other law.

**2.78** “White Mountain Apache Tribe” or “WMAT” shall mean the White Mountain Apache Tribe, organized under Section 16 of the Act of June 18, 1934, 48 Stat. 984 (commonly known as the “Indian Reorganization Act”) (25 U.S.C. § 476).

**2.79** “WMAT CAP Water” shall mean CAP Water to which the WMAT is entitled pursuant to the WMAT CAP Water Delivery Contract.

**2.80** “WMAT CAP Water Delivery Contract” shall mean (A) Contract No. 08-XX-30-W0529 between the WMAT and the United States dated \_\_\_\_\_, a copy of which is attached hereto as Exhibit 7.1; and (B) any amendments to that contract.

**2.81** “WMAT Reservation” or “Reservation” shall mean the land located within the exterior boundaries of the White Mountain Indian Reservation established by Executive Order dated November 9, 1871, as modified by subsequent Executive Orders and Acts of Congress: (1) known on December 8, 2010, the date of enactment of the Act, as the “Fort Apache Reservation” pursuant to chapter 3 of the Act of June 7, 1897 (30 Stat. 62); and (2) generally depicted on the map attached as Exhibit 2.81. The depiction of the Reservation on the map attached as Exhibit 2.81 shall not: (1) be used to affect any dispute between the WMAT and the United States concerning the legal boundary of the Reservation; or (2) constitute an admission by the WMAT with regard to any dispute between the WMAT and the United States concerning the legal boundary of the Reservation.

**2.82** “WMAT Rural Water System” shall mean the municipal, rural, and industrial Water Diversion, storage, and delivery system described in Section 307 of the Act.

**2.83** “Year” shall mean a calendar year. When not capitalized, the term “year” shall have the meaning in the Paragraph or Subparagraph in which the term is used.

### **3.0 EXHIBITS**

**3.1** The following is a list of Exhibits attached to this Agreement, all of which are incorporated herein by reference. All of the Parties have reviewed the Exhibits. Prior to the Enforceability Date, no Party shall object to the terms and conditions of any of the Exhibits in any judicial, administrative or legislative proceedings relating to the approval of this Agreement; provided, however, that each Exhibit shall be binding only on the

specific Parties to such Exhibit unless expressly provided otherwise in Exhibits 12.9.6.1 or 12.9.6.2. Amendments to Exhibits shall be governed by Subparagraph 16.4. No Party shall have any right to object to an amendment to such an Exhibit except as provided in Subparagraph 16.4. No Party shall have, by reason of this Agreement, any third-party enforcement or other rights under any Exhibit to which said Party is not a party, unless otherwise provided in the Exhibit or in Exhibits 12.9.6.1 or 12.9.6.2.

<b>PARAGRAPH NO. – EXHIBIT NO.</b>	<b>DESCRIPTION</b>
2.2	White Mountain Apache Tribe Water Rights Quantification Act of 2010, P.L. 111-291, Title III, 124 Stat. 3064, 3073 (2010)
2.57	Map Showing Off-Reservation Trust Land
2.81	Map Showing the WMAT Reservation
5.7.2	Graph of Maximum Storage in Large Reservoirs
7.1	WMAT CAP Water Delivery Contract
9.4	Standard Form of CAP Subcontract for M&I Use

- 10.1.1A Lease Agreement among the  
WMAT, the Secretary and the City  
of Avondale
- 10.1.1B Lease Agreement among the  
WMAT, the Secretary  
and the City of Chandler
- 10.1.1C Lease Agreement among the  
WMAT, the Secretary  
and the City of Gilbert
- 10.1.1D Lease Agreement among the  
WMAT, the Secretary  
and the City of Glendale
- 10.1.1E Lease Agreement among the  
WMAT, the Secretary  
and the City of Mesa
- 10.1.1F Lease Agreement among the  
WMAT, the Secretary  
and the City of Peoria
- 10.1.1G Lease Agreement among the  
WMAT, the Secretary

and the City of Phoenix

- 10.1.1H Lease Agreement among the  
WMAT, the Secretary  
and the City of Tempe
- 10.1.1.1A Form of Voluntary Assignment and  
Assumption of Leased Water
- 10.1.1.1B Form of Assignment and  
Assumption of Leased Water
- 10.2.1 Lease Agreement among the  
WMAT, the Secretary  
and the CAWCD
- 11.2 Sample Report Required by  
Subparagraph 11.2
- 11.3.1.1.A Inventory of Stockponds
- 11.3.1.1.B Inventory of Lakes
- 11.3.1.1.C Inventory of Other Impoundments
- 11.3.1.2 Lakes, Stockponds and Other  
Impoundments Diversion and  
Depletion Calculation

- 11.3.2.3 Irrigation Use Diversion and  
Depletion Calculation
- 11.3.3.2 Municipal and Industrial Use  
Diversion and Depletion Calculation
- 11.3.4.2 Artificial Snow Making Use  
Depletion Calculation
- 11.3.7.2 Mining Use Depletion Calculation
- 12.1 Waiver and Release of Claims by the  
Parties Other than the WMAT on  
Behalf of Itself and its Members and  
the United States Acting in its  
Capacity as Trustee for the WMAT  
and its Members
- 12.2 Waiver and Release of Claims for  
Water Rights and Injury to Water  
Rights by the WMAT, on behalf of  
itself and its Members, and the  
United States, acting in its capacity  
as trustee for the WMAT and its  
Members

- 12.3 Waiver and Release of Claims By  
the WMAT, on Behalf of Itself and  
its Members, Against the United  
States (Except in the Capacity of  
the United States as Trustee for  
Other Indian Tribes)
- 12.4 Waiver and Release of Claims By  
the United States in All Capacities  
(Except as Trustee for an Indian  
Tribe Other than the WMAT)  
Against the WMAT and its  
Members
- 12.9.6.1 Form of Judgment and Decree in the  
Gila River Adjudication Proceedings
- 12.9.6.2 Form of Judgment and Decree in the  
Little Colorado River Adjudication  
Proceedings
- 14.7.2 Land classifications subject to  
RWCD credit of 5.6% of water  
diverted at Granite Reef Dam

**4.0 WHITE MOUNTAIN APACHE TRIBE WATER RIGHTS**

**4.1** The WMAT and the United States acting in its capacity as trustee for the WMAT shall have the following permanent quantified Water Rights to the Use of Water on the Reservation and on Off-Reservation Trust Land:

Source	Maximum Annual Diversion Amount	Maximum Annual Depletion Amount	Reference
<b>4.1.1</b> Surface Water and Groundwater Diverted on the Reservation or on Off-Reservation Trust Land from sources within the Salt River Watershed	64,000 AFY	21,800 AFY	As set forth in Paragraphs 5.0, 6.0, and 11.0
<b>4.1.2</b> Surface Water and Groundwater Diverted on the Reservation or on Off-Reservation Trust Land from sources within the Salt River Watershed or the Little Colorado River Watershed	7,000 AFY	4,000 AFY	As set forth in Paragraphs 5.0, 6.0, and 11.0

<p><b>4.1.3</b> Surface Water and Groundwater Diverted on the Reservation or on Off-Reservation Trust Land from sources within the Salt River Watershed the first Use of which shall not commence until after the Year 2100.</p>	<p>3,000 AFY</p>	<p>1,200 AFY</p>	<p>As set forth in Subparagraph 5.2 and Paragraph 11.0</p>
<p><b>4.1.4</b> White Mountain Apache Tribe Central Arizona Project Water</p>	<p>At least 25,000 AFY</p>	<p>25,000 AFY</p>	<p>As set forth in Paragraphs 7.0 and 11.0</p>
<p><b>4.1.5</b> Total</p>	<p>99,000 AFY Subject to Subparagraph 4.1.4</p>	<p>52,000 AFY</p>	

**4.2** The Water Rights of the WMAT described in this Paragraph 4.0 shall be held in trust by the United States acting in its capacity as trustee for the WMAT and shall not be subject to forfeiture or abandonment.

**4.3** In accordance with the terms of Subparagraphs 5.1, 5.2, and 5.3 and Paragraph 11.0, the WMAT and the United States acting in its capacity as trustee for the WMAT, collectively, shall not Divert, subject to Subparagraph 4.1.4, more than 99,000 AFY from all available sources of Water on the Reservation or on Off-Reservation Trust Land nor cause the Depletion of the amount Diverted from all available sources of Water on the Reservation or on Off-Reservation Trust Land to exceed 52,000 AFY.

**4.4** All Water Diverted or Depleted on the Reservation or on Off-Reservation Trust Land by Members or pursuant to any agreement or authorization by the WMAT or the United States acting in its capacity as trustee for the WMAT shall be considered for the purpose of this Agreement to be Diverted or Depleted by the WMAT or the United States acting in its capacity as trustee for the WMAT.

**4.5** The Water Rights of the WMAT and the United States acting in its capacity as trustee for the WMAT as quantified in this Paragraph 4.0 may be used for any Use on the Reservation, including any land finally determined to be part of the Reservation under Subparagraph 4.14, or on Off-Reservation Trust Land; provided, however, that Use of WMAT CAP Water shall be as provided in Paragraph 7.0.

**4.6** Surface Water, Groundwater and Effluent purchased or acquired subsequent to the Enforceability Date by the WMAT or the United States acting in its capacity as trustee for the WMAT pursuant to state law from sources outside of the Reservation and outside of Off-Reservation Trust Land shall not be subject to the quantification limits of the WMAT's Water Rights specified in this Paragraph 4.0 or Subparagraphs 5.1, 5.2 and 5.3.

**4.7** Except for Use of WMAT CAP Water as provided in Paragraph 7.0, no Water available for Use by the WMAT or by the United States acting in its capacity as trustee for the WMAT under this Agreement and the Act may be sold, leased, transferred or used outside the boundaries of the Reservation or Off-Reservation Trust Land other than pursuant to an exchange.

**4.8** All land held by the United States in trust for the WMAT as Off-Reservation Trust Land and all land within the Reservation shall have only those Water Rights specifically quantified in this Paragraph 4.0 for the WMAT and the United States acting in its capacity as trustee for the WMAT.

**4.9** Except for CAP Water Diverted from the CAP System, the right of the WMAT and the United States acting in its capacity as trustee for the WMAT to Divert the Water Rights quantified by this Paragraph 4.0 is subject to the physical availability of such Water on the Reservation or on the Off-Reservation Trust Land and is subject to the WMAT's and the United States' acting in its capacity as trustee for the WMAT's priorities for the Diversion of such Water Rights as set forth in Paragraph 5.5 and in the Judgments and Decrees to be entered in the Gila River Adjudication Proceedings and the Little Colorado River Adjudication Proceedings, copies of which are attached hereto as Exhibits 12.9.6.1 and 12.9.6.2.

**4.10** All Diversions of Water within the Reservation and on Off-Reservation Trust Land, together with all WMAT CAP Water used by the WMAT outside of the Reservation and outside of Off-Reservation Trust Land, and all WMAT CAP Water leased to others or exchanged pursuant to Paragraph 7.0, shall be counted in determining compliance by the WMAT and the United States acting in its capacity as trustee for the WMAT with the Maximum Annual Diversion Amounts specified in Paragraph 4.0 and Subparagraphs 5.1, 5.2 and 5.3. Diversions shall be measured or calculated as provided in Paragraph 11.0.

**4.11** All Depletions of Water in each Year from Diversions of Water within the Reservation and on Off-Reservation Trust Land, together with all WMAT CAP Water used by the WMAT outside of the Reservation and outside of Off-Reservation Trust Land, and all WMAT CAP Water leased to others or exchanged pursuant to Paragraphs 7.0, 9.0 and 10.0 shall be counted in determining compliance by the WMAT and the United States acting in its capacity as trustee for the WMAT with the Maximum Annual Depletion Amounts specified in Paragraph 4.0 and Subparagraphs 5.1, 5.2 and 5.3. Depletions shall be measured or calculated as provided in Paragraph 11.0.

**4.12** Notwithstanding anything to the contrary in this Agreement, any Diversions of Water by the WMAT or the United States acting in its capacity as trustee for the WMAT on the Reservation and on Off-Reservation Trust Land within the Salt River Watershed that occur when the Salt River Reservoir System is full and the amount of Water in the Salt River Reservoir System is increasing shall not be counted in determining compliance with the Maximum Annual Diversion Amount from the Salt River Watershed specified in Paragraph 4.0 and Subparagraphs 5.1 and 5.2. Likewise, any Depletions of Water Diverted under the circumstances described in the preceding sentence shall not be counted in determining compliance with the Maximum Annual Depletion Amount from the Salt River Watershed specified in Paragraph 4.0 and Subparagraphs 5.1 and 5.2. The Salt River Reservoir System shall be deemed full for purposes of this Subparagraph when the volume of Water stored in the Salt River Reservoir System is equal to the capacity of the Salt River Reservoir System. For purposes of this Subparagraph 4.12, the capacity of the Salt River Reservoir System shall mean the capacity of those reservoirs, including the new conservation space in Modified Theodore Roosevelt Dam, available to store Water

on a continuous basis for irrigation, power, municipal, industrial or other purposes. SRP shall notify the WMAT and the United States acting in its capacity as trustee for the WMAT of an impending spill as soon as practicable and notify them of the date the spill ends.

**4.13** In the event the Maximum Annual Diversion Amounts or the Maximum Annual Depletion Amounts specified in Paragraph 4.0 and Subparagraphs 5.1, 5.2 and 5.3 are exceeded in any Year by the WMAT or the United States acting in its capacity as trustee for the WMAT, then the Maximum Annual Diversion Amounts or the Maximum Annual Depletion Amounts, as applicable, shall be reduced by the amount of any such exceedance for such Water source in the following Year.

**4.14** Except as provided in Subparagraph 4.6, all Uses of Water on land outside of the Reservation, if and when that land is subsequently and finally determined to be part of the Reservation through resolution of any dispute between the WMAT and the United States over the location of the Reservation boundary, and any fee land within the Reservation placed into trust and made part of the Reservation, shall be subject to the Maximum Annual Diversion Amounts and the Maximum Annual Depletion Amounts specified in Paragraph 4.0 and Subparagraphs 5.1, 5.2, and 5.3.

## **5.0 SURFACE WATER**

**5.1** The WMAT and the United States acting in its capacity as trustee for the WMAT shall have the permanent right to Divert for Use on the Reservation and on Off-Reservation Trust Land the Maximum Annual Diversion Amount of 71,000 AFY from

all sources of Surface Water on the Reservation and on Off-Reservation Trust Land within the Salt River Watershed, provided that the Maximum Annual Depletion Amount of all such Diversions shall not exceed 25,800 AFY. Up to 7,000 AFY of the 71,000 AFY Maximum Annual Diversion Amount and up to 4,000 AFY of the 25,800 AFY Maximum Annual Depletion Amount specified in the preceding sentence may be Diverted and Depleted from sources of Water within the Little Colorado River Watershed.

**5.2** Commencing after the Year 2100, the WMAT and the United States acting in its capacity as trustee for the WMAT also shall have the additional permanent right to Divert for Use on the Reservation and on Off-Reservation Trust Land the additional Maximum Annual Diversion Amount of 3,000 AFY from all sources of Surface Water on the Reservation and on Off-Reservation Trust Land within the Salt River Watershed, provided the additional Maximum Annual Depletion Amount of all of such Diversions does not exceed 1,200 AFY.

**5.3** In addition to the quantities of Water set forth in Subparagraphs 5.1 and 5.2, the WMAT and the United States acting in its capacity as trustee for the WMAT shall also have the additional permanent right to Divert for Use on the Reservation and on Off-Reservation Trust Land the additional Maximum Annual Diversion Amount of at least 25,000 AFY from all sources of Surface Water on the Reservation and on Off-Reservation Trust Land within the Salt River Watershed pursuant to an exchange of WMAT CAP Water in accordance with the terms of Paragraph 7.0, provided the

additional Maximum Annual Depletion Amount of all of such Diversions does not exceed 25,000 AFY.

**5.4** The Maximum Annual Diversion Amounts and the Maximum Annual Depletion Amounts described in Subparagraphs 5.1 and 5.2 shall include in each Year the amounts of Groundwater Diverted and Depleted pursuant to Subparagraph 6.1 in that same Year.

**5.5** The priority date for the administration of the Water Rights of the WMAT and the United States acting in its capacity as trustee for the WMAT described in Subparagraphs 4.1.1, 4.1.2, 4.1.3, 5.1, 5.2, and 6.1, for Uses on the Reservation shall be November 9, 1871. The priority date for the administration of the Water Rights of the WMAT and the United States acting in its capacity as trustee for the WMAT described in Subparagraphs 4.1.1, 4.1.2, 4.1.3, 5.1, 5.2, and 6.1 for Uses on Off-Reservation Trust Lands shall be November 4, 1985. The priority for the administration of the WMAT CAP Water shall be as specified in Subparagraphs 7.2.1 and 7.2.2. The priority date for the administration of the Water Rights of the WMAT and the United States acting in its capacity as trustee for the WMAT for lands finally determined to be part of the Reservation through resolutions of any dispute between the WMAT and the United States over the location of the Reservation boundary shall be November 9, 1871.

**5.6** All Diversions and Depletions associated with the operation of the White Mountain Apache Tribe Rural Water System, authorized under Section 307 of the Act, shall be subject to the terms of this Agreement.

**5.7 RESERVOIRS OTHER THAN MINER FLAT**

**5.7.1** The United States acting in its capacity as trustee for the WMAT has asserted claims to Water in the Gila River Adjudication Proceedings from the Salt River Watershed. These claims contemplate construction of reservoirs along the White River, Black River, Carrizo Creek, Bonito Creek and Salt River. Except for the White Mountain Apache Tribe Rural Water System as authorized in Section 307 of the Act, this Agreement does not authorize the construction of any such reservoir. Except as provided in this Subparagraph 5.7.1, prior to the construction of any reservoir having a capacity of greater than 2,000 acre-feet, the WMAT and the Secretary shall execute a separate agreement with SRP regarding the operation of any such new reservoir. No such separate agreement shall be required for Large Reservoirs, Miner Flat Dam and Reservoir, and one Large Reservoir on the White River below Miner Flat Dam with an Active Conservation Capacity not exceeding 10,000 acre-feet.

**5.7.2** Except as provided in Subparagraph 5.7.3, if the combined aggregate amount of Water stored in Large Reservoirs on May 1 of each Year is greater than the percentage of Active Conservation Capacity shown by the point of intersect of the line on Exhibit 5.7.2 relative to Net SRP Reservoir Storage on May 1 of each Year, the Water in storage in such Large Reservoirs in excess of the percentage of Active Conservation Capacity at the point of intersect on Exhibit 5.7.2 shall be either:

- 5.7.2.1** Released by the WMAT or the United States acting in its capacity as trustee for the WMAT from one or more of the Large Reservoirs no later than July 1 of such Year to flow off of the Reservation, or
- 5.7.2.2** Deducted from any existing long term storage credits the WMAT may possess on May 1 of such Year as the result of the recharge and storage of CAP Water, provided that such credits are transferred to SRP by June 1 of such Year and the WMAT or the United States acting in its capacity as trustee for the WMAT pays for the costs and charges associated with such transfer including the cost of recovery of such stored CAP Water, or
- 5.7.2.3** Reduced to the requisite percentage of Active Conservation Capacity through a combination of releases pursuant to Subparagraph 5.7.2.1 and deductions of existing long term storage credits pursuant to Subparagraph 5.7.2.2.
- 5.7.3** One Large Reservoir on the White River with an Active Conservation Capacity not exceeding 10,000 acre-feet and Miner Flat Dam and Reservoir located on the north fork of the White River with a capacity of not more than 9,000 acre-feet shall be exempt from the requirements of Subparagraph 5.7.2.
- 5.7.4** The WMAT may exchange CAP Water for the purpose of storage in reservoirs located on the Reservation. For purposes of the calculation in Subparagraph 5.7.2, the amount of CAP Water exchanged with SRP or others and stored within Large Reservoirs on the Reservation shall not be included within the combined aggregate amount of Water stored in Large Reservoirs on May 1 of each Year.

Any exchange of WMAT CAP Water shall be in accordance with the terms of Paragraph 7.0.

**5.7.5** The evaporation losses associated with the storage of Water by the WMAT or the United States acting in its capacity as trustee for the WMAT in any reservoir, calculated as provided in Subparagraph 11.3.1.2 and Exhibit 11.3.1.2, shall be considered Diversions and Depletions by the WMAT and the United States acting in its capacity as trustee for the WMAT for purposes of this Agreement and shall be deducted from the Maximum Annual Diversion Amount and the Maximum Annual Depletion Amount.

**5.7.6** In the event the WMAT or the United States acting in its capacity as trustee for the WMAT fail to release by July 2 the requisite amount of Water as required by Subparagraph 5.7.2, then by June 1 of the following Year the WMAT or the United States on their behalf shall release from storage the amount of Water which otherwise would have been required to be released from storage the prior Year pursuant to Subparagraph 5.7.2, in addition to any Water required to be released for the current Year.

## **6.0 GROUNDWATER**

**6.1** The WMAT and the United States acting in its capacity as trustee for the WMAT shall have the permanent right to Divert Groundwater from any location within the Reservation, including any land finally determined to be part of the Reservation under Subparagraph 4.14, and on Off-Reservation Trust Land, subject to the Maximum Annual Diversion Amounts and the Maximum Annual Depletion Amounts specified in Paragraph

4.0 and Subparagraphs 5.1 and 5.2. This Agreement does not prevent the WMAT from transporting onto the Reservation, Groundwater obtained from Off-Reservation Trust Land pumping activities.

**7.0 CAP WATER**

**7.1** Pursuant to Section 306 of the Act, and in accordance with Section 104 (d) (1) of the AWSA, the Secretary shall execute the WMAT CAP Water Delivery Contract, a copy of which is attached hereto as Exhibit 7.1.

**7.2** Pursuant to Sections 305 and 306 of the Act, the Secretary shall deliver to WMAT, directly or through an exchange with an individual or entity acceptable to the WMAT and the Secretary, upon the terms and conditions set forth in the WMAT CAP Water Delivery Contract, the following described CAP Water, which is also referenced in Subparagraph 4.1.4:

**7.2.1** 23,782 AFY of CAP NIA Priority Water that was previously allocated to non-Indian agricultural entities, that was retained by the Secretary for reallocation to Arizona Indian tribes pursuant to Section 104 (a) (1) (A) (iii) of the AWSA, and reallocated by the Secretary to the WMAT pursuant to Section 305(b)(1)(A) of the Act.

**7.2.2** 1,218 AFY of HVID CAP Water reallocated by the Secretary to the WMAT pursuant to Section 305(b)(1)(B) of the Act.

**7.3** Pursuant to Section 306(b)(1) of the Act, the WMAT CAP Water Delivery Contract shall be for permanent service, as that term is used in Section 5 of the Boulder Canyon Project Act of 1928, 43 U.S.C. § 617d, and shall be without limit as to term.

**7.4** Pursuant to Section 306(a)(1)(A) of the Act and Paragraph 9.0, the WMAT may, on approval of the Secretary, enter into contracts or options to lease, contracts to exchange, or options to exchange WMAT CAP Water within Maricopa, Pinal, Pima and Yavapai counties, Arizona, providing for the temporary delivery to any individual or entity of any portion of the WMAT CAP Water. The term of a contract or option to lease shall not be longer than one hundred (100) years. A contract or option to exchange shall be for the term provided for in the contract or option. A lease or option to lease providing for the temporary delivery of WMAT CAP Water shall require the lessee to pay to the CAP Operating Agency all CAP Fixed OM&R Charges and all CAP Pumping Energy Charges associated with the leased water. The WMAT may, with the approval of the Secretary, renegotiate any lease at any time during the term of that lease, subject to the condition that the term of the renegotiated lease shall not exceed one hundred (100) years. No portion of the WMAT's CAP Water may be permanently alienated.

**7.5** Exchanges of the WMAT CAP Water for Water from the Salt River Watershed upstream of Modified Roosevelt Dam shall be subject to the terms and conditions of one or more agreements to be negotiated among the WMAT, the United States, SRP, Plan 6 Cities, and any other necessary parties. Upon the WMAT's request, SRP, the Plan 6 Cities, and any other necessary parties will negotiate the terms of an exchange agreement with the WMAT. SRP and the Plan 6 Cities will not unreasonably withhold agreement to

such an exchange. In accordance with Section 306(a)(1)(A) of the Act, any such exchange agreement shall be subject to the approval of the Secretary. SRP shall accept delivery of WMAT CAP Water from WMAT in exchange for Diversions of Water from the Salt River Watershed by WMAT, pursuant to an exchange agreement to be negotiated between WMAT and SRP, unless SRP cannot receive or beneficially use the WMAT CAP Water. SRP and the Plan 6 Cities agree that they will not charge the WMAT for losses associated with foregone hydropower generation on the Salt River for exchanges of CAP Water between the WMAT and SRP for Water Uses on the Reservation by the WMAT.

**7.6** No WMAT CAP Water may be leased, exchanged, forborne or otherwise transferred in any way by the WMAT for Use directly or indirectly outside of the State of Arizona.

**7.7** Pursuant to Section 306(a)(3)(A) of the Act, the WMAT, and not the United States in any capacity, shall be entitled to all consideration due to the WMAT under any contract or option to lease or exchange WMAT CAP Water entered into by the WMAT. The United States in any capacity shall have no trust obligation or other obligation to monitor, administer or account for, in any manner: (1) any funds received by the WMAT as consideration under a contract or option to lease or exchange WMAT CAP Water; or (2) the expenditure of those funds.

**7.8** Pursuant to Sections 306(a)(4)(A) and (B) of the Act, all WMAT CAP Water shall be delivered through the CAP System; and if the delivery capacity of the CAP System is significantly reduced or anticipated to be significantly reduced for an extended

period of time, the WMAT shall have the same CAP delivery rights as a CAP Contractor or CAP Subcontractor that is allowed to take delivery of Water other than through the CAP System.

**7.9** Pursuant to Section 306(a)(5) of the Act, the WMAT may use WMAT CAP Water on or off the Reservation for any purpose but all such Uses shall be considered Diversions and Depletions under Paragraph 4.0 and Subparagraph 5.3 and accounted as provided for in Paragraph 11.0.

**7.10** The charges for delivery of WMAT CAP Water pursuant to the WMAT CAP Water Delivery Contract shall be calculated in accordance with the CAP Repayment Stipulation.

**7.11 PAYMENT OF CAP WATER DELIVERY CHARGES**

**7.11.1** Pursuant to Section 305(d) of the Act, for the purpose of determining the allocation and repayment of costs of any stage of the CAP constructed after November 21, 2007, the costs associated with the delivery of WMAT CAP Water, whether such Water is delivered for Use by the WMAT or in accordance with any assignment, exchange, lease, option to lease, or other agreement for the temporary disposition of WMAT CAP Water entered into by the WMAT, shall be (1) non-reimbursable and (2) excluded from the repayment obligation of the CAWCD.

**7.11.2** Pursuant to Sections 305(c) and 306(a)(8) of the Act, no CAP Water service capital charges shall be due or payable for WMAT CAP Water, whether such

Water is delivered for Use by the WMAT or pursuant to a contract or option to lease or exchange WMAT CAP Water entered into by the WMAT.

**7.11.3** Pursuant to Section 306(a)(1)(A)(iii) of the Act, any lease or option to lease providing for the temporary delivery to others of any WMAT CAP Water shall require the lessee to pay the CAP Operating Agency all CAP Fixed OM&R Charges and all CAP Pumping Energy Charges associated with the delivery of the leased water. Neither the WMAT nor the United States in any capacity shall be responsible for the payment of any charges for the delivery of WMAT CAP Water leased to others.

**7.11.4** The CAP Operating Agency shall be paid the CAP Fixed OM&R Charges associated with the delivery of all WMAT CAP Water. Pursuant to Section 306(a)(6) of the Act, as authorized by 43 U.S.C. §1543(f)(2)(A), as amended, to the extent that funds are available in the Lower Colorado River Basin Development Fund established by subsection (a) of that section, the Secretary shall pay to the CAP Operating Agency the CAP Fixed OM&R Charges associated with the delivery of WMAT CAP Water, and to the extent that funds are not available from the Lower Colorado River Basin Development Fund, such charges shall be paid by the WMAT. CAP Fixed OM&R Charges associated with the delivery of WMAT CAP Water leased to others shall be paid as provided in Subparagraph 7.11.3.

**7.11.5** The WMAT shall pay the CAP Operating Agency all CAP Pumping Energy Charges associated with the delivery of WMAT CAP Water, except for WMAT

CAP Water leased to others. Notwithstanding the preceding sentence, other persons or entities with whom the WMAT may exchange WMAT CAP Water may agree with the WMAT to pay the CAP Operating Agency the CAP Pumping Energy Charges associated with the delivery of WMAT CAP Water pursuant to such exchange. CAP Pumping Energy Charges associated with the delivery of WMAT CAP Water leased to others shall be paid as provided in Subparagraph 7.11.3.

**7.12** The CAP Operating Agency shall have no responsibility to deliver any WMAT CAP Water for which CAP Fixed OM&R Charges and CAP Pumping Energy Charges have not been paid in advance. The charges for delivery of WMAT CAP Water shall be calculated in accordance with the CAP Repayment Stipulation.

**7.13** The WMAT shall schedule delivery of WMAT CAP Water in accordance with the WMAT CAP Water Delivery Contract.

**7.14** The WMAT shall be entitled to enter into contracts for Excess CAP Water as provided in the CAP Repayment Stipulation. The WMAT may use such Excess CAP Water on or off the Reservation for any purpose and such Use does not constitute a Diversion or Depletion for purposes of Paragraph 4.0.

**7.15** Nothing in this Agreement limits the right of the WMAT to enter into an agreement with the Arizona Water Banking Authority (or any successor entity) established by section 45-2421 of the Arizona Revised Statutes in accordance with State law.

**7.16 DELIVERY OF CAP WATER IN TIMES OF SHORTAGE**

**7.16.1 CAP NIA PRIORITY WATER.** If, in any Year, the Available CAP Supply is insufficient to meet all demands under CAP Contracts or CAP Subcontracts for the delivery of CAP NIA Priority Water, then the Secretary and the CAP Operating Agency shall pro-rate the CAP NIA Priority Water among the CAP Contractors and CAP Subcontractors holding such entitlements on the basis of the quantity of CAP NIA Priority Water used by each such CAP Contractor or CAP Subcontractor in the last Year in which the Available CAP Supply was sufficient to fill all orders for CAP NIA Priority Water. The Secretary shall determine the quantity of CAP NIA Priority Water used by the Gila River Indian Community and the Tohono O’odham Nation in the last Year in which the Available CAP Supply was sufficient to fill all orders for CAP NIA Priority Water, in a manner consistent with the settlement agreements with these tribes.

**7.16.2 HVID CAP WATER.** HVID CAP Water has the priority of CAP Indian Priority Water. If a time of shortage exists, as described in the WMAT CAP Water Delivery Contract, the amount of HVID CAP Water available to the WMAT in such Year shall be computed in accordance with subsection 5.8 of the WMAT CAP Water Delivery Contract.

**7.17 FIRING OF WMAT CAP WATER**

**7.17.1** The United States shall firm three thousand seven hundred fifty (3,750) AFY of WMAT CAP NIA Priority Water for the benefit of WMAT for the one hundred (100) Year period beginning on January 1, 2008, with priority equivalent to CAP

M&I Priority Water, as provided in Sections 105(a) and 105(b)(1)(B) of the AWSA and Section 305(b)(1)(A)(i) of the Act, to be delivered in the same manner as water with a municipal and industrial delivery priority in the Central Arizona Project system is delivered during water shortages.

**7.17.2** The State shall firm three thousand seven hundred fifty (3,750) AFY of WMAT CAP NIA Priority Water for the benefit of WMAT for the one hundred Year period beginning on January 1, 2008, with priority equivalent to CAP M&I Priority Water, as provided in Sections 105(a) and 105(b)(2)(B) of the AWSA and Section 305(b)(1)(A)(ii) of the Act and in accordance with the terms of the Agreement between the Secretary of the Interior and the State of Arizona for the Firming of Central Arizona Project Indian Water, dated November 15, 2007, to be delivered in the same manner as water with a municipal and industrial delivery priority in the Central Arizona Project system is delivered during water shortages.

**7.17.3** The United States' and the State of Arizona's obligation under Subparagraphs 7.17.1 and 7.17.2, respectively, to provide water to firm certain amounts of WMAT CAP NIA Priority Water to be delivered under this Agreement, under the WMAT CAP Water Delivery Contract, or under any leases or exchanges entered into under this Agreement or the WMAT CAP Water Delivery Contract does not extend beyond December 31, 2107; provided, however, that neither the United States nor the State of Arizona is prohibited by this Subparagraph 7.17.3 from providing water to firm any deliveries of WMAT CAP NIA Priority Water beyond December 31, 2107, if, subject to the enactment of any necessary additional statutory authorization, either agrees to do so in any future agreements.

**7.18** Pursuant to Section 306(a)(7) of the Act, the Secretary waives the right of the Secretary to capture all Return Flow from WMAT CAP Water delivered to the WMAT through an exchange with SRP or any other individual or entity acceptable to the WMAT and the Secretary, flowing from the exterior boundaries of the WMAT Reservation. WMAT may recapture and reuse Return Flow within the WMAT Reservation. Return Flow for purposes of this Subparagraph 7.18 shall mean all waste water, seepage, and Groundwater which originates or results from WMAT CAP Water delivered to the WMAT through an exchange with SRP or any other individual or entity acceptable to the WMAT and the Secretary.

**8.0 ALLOCATION OF WMAT DEPLETIONS OF WATER FROM THE SALT RIVER WATERSHED**

**8.1** For each Year following the Year in which the Enforceability Date occurs, fourteen and eighty-one one hundredths (14.81) percent of the actual Annual Depletion Amount from all sources of Water Diverted on the Reservation and on Off-Reservation Trust Land within the Salt River Watershed, other than Depletions resulting from the exchange of WMAT CAP Water, calculated as provided in Paragraph 11.0, shall be allocated to RWCD up to a maximum of 4,000 AFY.

**8.1.1** RWCD hereby authorizes SRP to transfer to SRP on an annual basis from the credits accruing to RWCD under RWCD's entitlement, as defined in Subparagraph 14.7, the number of credits on an acre-foot-for-acre-foot basis equal to fourteen and eighty-one one hundredths (14.81) percent of the total number of acre-feet of Water Depleted during the prior Year by WMAT Diversions on the

Reservation and on Off-Reservation Trust Land within the Salt River Watershed, other than Depletions resulting from the exchange of WMAT CAP Water.

**8.1.2** RWCD credits shall be considered accrued for the purposes of Subparagraph 8.1 at the time the credits are earned by RWCD under Subparagraph 14.7, regardless of when the credits are added to RWCD's water account by SRP. In the event RWCD has insufficient credits in its water account with SRP to fully off-set its share of the WMAT Depletions in any Year, the RWCD credit deficit shall be carried forward by SRP to the next Year in which RWCD has sufficient credits in its water account with SRP to reduce or eliminate the deficit, as applicable.

**8.2** RWCD's direction for the transfer of water credits to SRP pursuant to the terms of Subparagraph 8.1 shall be binding upon its successors and assigns. Should any other entity succeed to all of RWCD's entitlement, it shall assume RWCD's rights and obligations to SRP under Subparagraph 8.1.

**8.3** Neither the WMAT nor SRP shall be charged any fees by RWCD for the performance of the obligations of Subparagraph 8.1.

**9.0 TERMS AND CONDITIONS OF FUTURE WMAT CAP WATER LEASE AGREEMENTS**

**9.1** The WMAT may enter into leases of WMAT CAP Water as provided in Subparagraph 7.4. Such leases shall conform to the provisions of Paragraph 9.0.

**9.2** The lessee shall pay all CAP Fixed OM&R Charges and all CAP Pumping Energy Charges to the CAP Operating Agency for the leased WMAT CAP Water.

**9.3** The Secretary or the CAP Operating Agency shall deliver the leased WMAT CAP Water to the lessee as further provided herein. Neither the Secretary nor the CAP Operating Agency shall be obligated to make deliveries to such lessee if, in the judgment of the Secretary or the CAP Operating Agency, such deliveries would limit deliveries of CAP Water to other CAP Contractors, including the WMAT, or CAP Subcontractors to a degree greater than would direct deliveries to the WMAT at the CSIF.

**9.4** Subject to the provisions of the lease, the Secretary or the CAP Operating Agency shall deliver WMAT CAP Water to the lessee in accordance with water delivery schedules provided by the lessee to the Secretary or the CAP Operating Agency. The lease shall include water ordering procedures equivalent to those contained in Article 4.4 of the standard form of CAP Subcontract for M&I Use, a copy of which is attached hereto as Exhibit 9.4.

**9.5** In no event shall the Secretary or the CAP Operating Agency be required to deliver to the lessee from the CAP System in any one (1) month a total amount of WMAT CAP Water greater than eleven percent (11.0%) of the lessee's maximum annual entitlement under the lease; provided however, that that Secretary or the CAP Operating Agency may deliver a greater percentage in any month if such increased delivery is compatible with the overall delivery of CAP Water to other CAP Contractors, CAP Subcontractors and Excess CAP Water Contractors as determined by the Secretary and the CAP Operating Agency if the lessee agrees to accept such increased deliveries.

**9.6** WMAT CAP Water to be delivered to the lessee pursuant to the lease shall be delivered at such turnouts on the CAP System as are agreed by the Secretary, the CAP Operating Agency and the lessee.

**9.7** Except as provided in Subparagraph 10.1.1.1, the lessee may not transfer, assign or sublease its leased WMAT CAP Water.

**9.8** The lease shall impose upon the lessee terms and conditions equivalent to those contained in Subarticles 4.3(a), 4.3(b), 4.3(c), 4.5(b), 4.5(c), and 4.5(d), and Articles 4.6, 4.10 and 6.9 of Exhibit 9.4. Although Exhibit 9.4 is the standard form of CAP Subcontract for M&I Use, nothing in this Agreement is intended to preclude leases of WMAT CAP Water for Irrigation Use.

**9.9** The Leased Water shall always be deemed to be held in trust for the benefit of the WMAT to which the lessee has acquired only a leasehold interest for the term of the lease.

**10.0 WMAT CAP WATER LEASE AGREEMENTS**

**10.1 CITIES' CAP WATER LEASE AGREEMENTS**

**10.1.1** Beginning thirty (30) days after the Enforceability Date, the WMAT shall lease to any or all of the Cities, and the Cities shall lease from the WMAT for a continuous term of one hundred (100) years: (1) one thousand two hundred eighteen (1,218) acre-feet per year of HVID CAP Water reallocated to the WMAT pursuant to Subparagraph 7.2.2; (2) seven thousand five hundred (7,500)

acre-feet per year of CAP NIA Priority Water reallocated to the WMAT pursuant to Subparagraph 7.2.1 and that has been firmed pursuant to Subparagraph 7.17; and (3) thirteen thousand seven hundred eighty-two (13,782) acre-feet of CAP NIA Priority Water per year that was reallocated to the WMAT pursuant to Subparagraph 7.2.1, and which is not firmed pursuant to Subparagraph 7.17. The terms and conditions of the WMAT leases to the Cities referenced herein shall be in accordance with the City Lease Agreements attached as Exhibits 10.1.1A through 10.1.1H.

**10.1.1.1** The Leasing Cities, the City of Scottsdale, and CAWCD may assume a City Lease Agreement in accordance with the terms of the assignment and assumption agreements attached as Exhibits 10.1.1.1A and 10.1.1.1B. The City Lease Agreements shall bind the Cities to those provisions of each City's CAP Subcontract that are enumerated in the City Lease Agreement. The City Lease Agreements shall not obligate either the Cities or the WMAT to pay CAP capital repayment charges or any other charges, payments or fees, except as specifically provided in the City Lease Agreements. The Cities shall pay all CAP Fixed OM&R Charges and all CAP Pumping Energy Charges to the CAP Operating Agency in accordance with the terms of the City Lease Agreements.

**10.1.1.2** Each of the Cities that elects to lease WMAT CAP Water in accordance with this Subparagraph 10.1 shall pay its Total Water Lease Charge amount to the WMAT pursuant to the terms and conditions of Paragraph 4.0 of the City Lease Agreements.

**10.1.2** The WMAT shall direct the Secretary to deliver the Leased Water in accordance with each City Lease Agreement.

**10.1.3** The following shall occur if the WMAT, the State or a City imposes a tax on: (1) a City Lease Agreement or transactions or operations undertaken pursuant to a City Lease Agreement; (2) WMAT CAP Water; (3) the value of the Leased Water; or (4) the transportation of the Leased Water:

**10.1.3.1** If the WMAT imposes such a tax on a City and such tax is lawfully owed by that City, that amount shall be paid by the WMAT to that City not less than thirty (30) days prior to the date that such tax amount is to be paid by that City to the WMAT;

**10.1.3.2** If the State imposes such a tax on the WMAT and such tax is lawfully owed by the WMAT, that amount shall be paid by the Cities to the WMAT in proportion to the amount of WMAT CAP Water each City has leased not less than thirty (30) days prior to the date that such tax amount is to be paid by the WMAT to the State; and

**10.1.3.3** If a City imposes such a tax on the WMAT and such tax is lawfully owed by the WMAT, that amount shall be paid by that City to the WMAT not less than thirty (30) days prior to the date that such tax amount is to be paid by the WMAT to that City.

**10.1.4** The quantity of WMAT CAP Water initially made available for lease to each of the Leasing Cities is as set forth in the City Lease Agreements.

**10.1.5** The Leased Water shall always be deemed to be held in trust for the benefit of the WMAT to which the Cities have acquired only a leasehold interest for the term of the City Lease Agreements.

**10.1.6** Subject to Subparagraph 16.4 of this Agreement, in the event of a conflict between the terms of this Agreement and the terms of Exhibits 10.1.1A through 10.1.1H and Exhibits 10.1.1.1A and 10.1.1.1B, the terms of Exhibits 10.1.1A through 10.1.1H and Exhibits 10.1.1.1A and 10.1.1.1B shall prevail as among the parties to such Exhibits.

**10.1.7** Notwithstanding any other provision of this Agreement, no Party shall challenge the validity or enforceability of Exhibits 10.1.1A through 10.1.1H or Exhibits 10.1.1.1A and 10.1.1.1B in any judicial, administrative or legislative proceeding.

## **10.2 CAWCD'S CAP WATER LEASE AGREEMENT**

**10.2.1** Beginning thirty (30) days after the Enforceability Date, the WMAT shall lease to the CAWCD, and the CAWCD shall lease from the WMAT for a continuous term of one hundred (100) years two thousand five hundred (2,500) acre-feet of CAP NIA Priority Water per year that was reallocated to the WMAT pursuant to Subparagraph 7.2.1, and which is not firmed pursuant to Subparagraph 7.17. The terms and conditions of the WMAT lease to the CAWCD referenced herein shall be in accordance with the CAWCD Lease Agreement attached as Exhibit 10.2.1.

**10.2.2** The WMAT shall direct the Secretary to deliver the Leased Water in accordance with the CAWCD Lease Agreement.

**10.2.3** The quantity of WMAT CAP Water initially made available for lease to CAWCD is as set forth in the Lease Agreement.

**10.2.4** The Leased Water shall always be deemed to be held in trust for the benefit of the WMAT to which CAWCD has acquired only a leasehold interest for the term of the CAWCD Lease Agreement.

**10.2.5** Subject to Subparagraph 16.4 of this Agreement, in the event of a conflict between the terms of this Agreement and the terms of Exhibit 10.2.1, the terms of Exhibit 10.2.1 shall prevail as among the parties to the Exhibit.

**10.2.6** Notwithstanding any other provision of this Agreement, no Party shall challenge the validity or enforceability of Exhibit 10.2.1 in any judicial, administrative or legislative proceeding.

**11.0 MEASUREMENT AND CALCULATION OF DIVERSIONS AND OF DEPLETIONS OF WATER**

**11.1 DIVERSIONS**

**11.1.1** Except as provided in Subparagraph 11.3, the WMAT shall install and maintain devices capable of measuring and recording all Diversions of Water on the Reservation and on Off-Reservation Trust Land, or wherever WMAT CAP Water is used by the WMAT, other than livestock consumption and annual lake, stockpond or other impoundment Water Use. The accuracy of these measuring and recording devices shall be commensurate with measuring and recording devices and procedures used by SRP for similar purposes but the accuracy required shall not be more stringent than industry standards. At least annually for three (3) Years after the installation of the devices required pursuant to this Subparagraph 11.1, the WMAT shall retain a registered professional engineer or similarly qualified person to inspect, and, if necessary, correct the accuracy of the

measuring and recording devices and procedures used by WMAT under this Subparagraph. After the third anniversary of the installation of the devices, inspections shall occur at least every three (3) years. Within thirty (30) days of the inspections, the WMAT or the United States acting in its capacity as trustee for the WMAT shall file in the Gila River Adjudication Proceeding or the Little Colorado River Adjudication Proceedings, as applicable determined by the location of the point of Diversion of Water to be measured by the particular device, a certified copy of the report by the registered professional engineer or similarly qualified person that sets forth the findings of the inspection and verification that the measuring and recording devices and procedures satisfy industry standards. At any time upon ten (10) days written notice, SRP may require an inspection by a registered professional engineer of any of the measuring devices required by this Subparagraph. If the results of the inspections show that a device's measurement accuracy is within industry standards, then SRP shall pay all costs incurred for the inspection of that device, otherwise WMAT shall bear such costs. If such measuring device is not within the industry standards for measurement accuracy, then the WMAT shall use due diligence, and in no event more than six (6) months to correct the operation of the non-conforming device in order to bring it into compliance with industry standards.

**11.1.2** WMAT shall also implement procedures to record and collect data concerning all such Diversions of Water.

## **11.2 REPORTING**

No later than March 1 of the second Year following the Year in which the Enforceability Date occurs, and on March 1 of each Year thereafter, the WMAT or the United States acting in its capacity as trustee for the WMAT shall file in the Gila River Adjudication Proceedings and the Little Colorado River Adjudication Proceedings a report, in the form set forth as Exhibit 11.2 or as may otherwise be required by the Gila River Adjudication Court or the Little Colorado River Adjudication Court, showing: (1) all amounts of Water, by source, Diverted on the Reservation and on Off-Reservation Trust Land under Subparagraphs 5.0 and 6.0 in the Year immediately preceding the Year in which the report is filed; (2) all Depletions of Water, by source, measured or calculated as provided in Subparagraphs 11.3, 11.4 and 11.5; (3) all amounts of WMAT CAP Water delivered to others in exchange for the Diversion of Water on the Reservation and on Off-Reservation Trust Land by WMAT from sources located within the Salt River Watershed; (4) all amounts of WMAT CAP Water recharged; (5) all amounts of WMAT CAP Water leased to others; and (6) all amounts of WMAT CAP Water otherwise used by the WMAT. WMAT shall give notice by serving a copy of each such report to each Party as provided in Subparagraph 16.19 and as may otherwise be required by the Gila River Adjudication Court or the Little Colorado River Adjudication Court. The WMAT shall prepare and maintain such records as may be necessary to file and audit such reports. Any Party may petition the Gila River Adjudication Court or the Little Colorado River Adjudication Court to modify the form set forth in Exhibit 11.2 to ensure accurate reporting of the WMAT Water Diversions and Depletions. Any other Party may object to such petition.

### **11.3 CALCULATION OF DIVERSIONS AND DEPLETIONS**

#### **11.3.1 LAKES, STOCKPONDS AND OTHER IMPOUNDMENTS**

**11.3.1.1** The inventories of all lakes, stockponds and other impoundments of Water on the Reservation and on Off-Reservation Trust Land existing as of the Enforceability Date are attached as Exhibits 11.3.1.1.A, 11.3.1.1.B, and 11.3.1.1.C. The inventories on Exhibits 11.3.1.1.A, 11.3.1.1.B, and 11.3.1.1.C shall be amended, as necessary, (1) to add or modify the description of any lakes, stockponds and other impoundments of Water enlarged or constructed on the Reservation after the Enforceability Date, and (2) to delete or modify the description of any lakes, stockponds and other impoundments of Water no longer physically and permanently capable of partially or completely impounding Water.

**11.3.1.2** Diversions and Depletions of Water resulting from the lakes, stockponds and other impoundments of Water on the Reservation and on Off-Reservation Trust Land shall be computed annually as provided in Exhibit 11.3.1.2. Release of Water stored in lakes, stockponds and other impoundments of Water shall be measured at the point of subsequent Diversion as set forth in Subparagraph 11.1, and subsequent Depletions associated with such Diversions shall be computed in accordance with the particular Use as set forth in Subparagraphs 11.3.2 through 11.3.8.

**11.3.1.3** Upon reasonable notice to the WMAT, representatives of SRP shall be authorized to visit each lake, stockpond and other impoundment of Water on the

Reservation or Off-Reservation Trust Land for the purposes of verifying the surface area and capacity.

### **11.3.2 IRRIGATION**

**11.3.2.1** No later than December 1 of the Year following the Year in which the Enforceability Date occurs, the WMAT or the United States acting in its capacity as trustee for the WMAT shall identify all lands on the Reservation and on Off-Reservation Trust Land and prepare appropriate maps of all of such lands which have been irrigated at any time prior to January 1, 2007. The parcels of irrigated lands and ditches serving those parcels shall be accurately mapped at a scale of 1:12,000. Copies of these maps shall be provided to all Parties.

**11.3.2.2** No later than December 1 of each Year following the Year in which the Enforceability Date occurs, the WMAT or the United States acting in its capacity as trustee for the WMAT shall provide to each Party a written inventory of all irrigated lands on the Reservation and on Off-Reservation Trust Land irrigated at any time during the Year. The inventory shall include the number of acres irrigated by parcel, the acres of each crop grown on such parcel, the location of each parcel, the point of Diversion of all Water delivered to each parcel, the method of delivery of Water to each parcel, the distance from the point of Diversion to the turnout for the parcel, the method of irrigation of each parcel, the AFY of Water Diverted for each parcel, and the first and last dates of Diversion of Water for each parcel.

**11.3.2.3** Depletions of Water resulting from the irrigation of lands on the Reservation and on Off-Reservation Trust Land shall be computed annually as provided by Exhibit 11.3.2.3.

### **11.3.3 MUNICIPAL AND INDUSTRIAL USES**

**11.3.3.1** No later than January 30 of the second Year following the Year in which the Enforceability Date occurs, and no later than January 30 of each Year thereafter, the WMAT or the United States acting in its capacity as trustee for the WMAT shall provide to each Party a written report of all Diversions of Water on the Reservation and on Off-Reservation Trust Land for all M&I Uses of Water during the prior Year. The report shall include for each M&I Use the following: the point of Diversion, the place of Use and purpose of Use, the AFY Diverted, the method of Diversion, the amount of Effluent and method of treatment, if any, of such Effluent following its initial Use, and the amount and means of disposal of any Effluent from such treatment or Use.

**11.3.3.2** Depletions of Water used for M&I Uses on the Reservation and on Off-Reservation Trust Land shall be computed annually as provided by Exhibit 11.3.3.2.

### **11.3.4 ARTIFICIAL SNOW MAKING**

**11.3.4.1** No later than January 30 of the second Year following the Year in which the Enforceability Date occurs, and no later than January 30 of each Year thereafter, the WMAT or the United States acting in its capacity as trustee for the

WMAT shall provide each Party a written report of all Diversions of Water on the Reservation and on Off-Reservation Trust Land for artificial snow making Uses during the prior Year. Reports shall include the point of Diversion and the AFY Diverted.

**11.3.4.2** Depletions of Water used for artificial snow making shall be computed annually as provided by Exhibit 11.3.4.2.

### **11.3.5 LIVESTOCK CONSUMPTION**

**11.3.5.1** The Diversions of Water on the Reservation and on Off-Reservation Trust Land for livestock consumption shall be deemed for the purposes of this Agreement, to be equal to the Depletions for such Uses.

**11.3.5.2** No later than January 30 of the second Year following the Year in which the Enforceability Date occurs, and no later than January 30 of each Year thereafter, the WMAT or the United States acting in its capacity as trustee for the WMAT shall provide to each Party a written report estimating all Depletions of Water on the Reservation and on Off-Reservation Trust Land for livestock watering purposes. The report shall include an estimate of the greatest number of livestock on the Reservation and on Off-Reservation Trust Land during the prior Year and the methodology used in calculating the estimated Depletions of Water for this purpose.

### **11.3.6 FISH HATCHERIES**

**11.3.6.1** No later than January 30 of the second Year following the Year in which the Enforceability Date occurs, and no later than January 30 of each Year thereafter, the WMAT or the United States acting in its capacity as trustee for the WMAT shall provide each Party a written report of all Diversions of Water on the Reservation and on Off-Reservation Trust Land for fish hatchery Uses during the prior Year. The report shall include the point of Diversion for each such Use and the AFY Diverted for each hatchery Use.

**11.3.6.2** It shall be presumed that there will be no Depletions of Water used for fish hatchery purposes if all Diversions are returned to the source. If all Diversions are not returned to the source, the Depletions of such Uses shall be computed annually as provided in Subparagraph 11.3.3.2.

### **11.3.7 MINING USES**

**11.3.7.1** No later than January 30 of the second Year following the Year in which the Enforceability Date occurs, and no later than January 30 of each Year thereafter, the WMAT or the United States acting in its capacity as trustee for the WMAT shall provide each Party a written report of all Diversions of Water on the Reservation and on Off-Reservation Trust land for all mining Uses of Water during the prior Year. The report shall include the point and method of Diversion, the place of Use, the AFY Diverted, the amount of Effluent and method of

treatment, if any, of such Effluent following its initial Use, and the amount and means of disposal of any Effluent following such treatment or Use.

**11.3.7.2** Depletions of Water used for mining purposes on the Reservation and on Off-Reservation Trust land shall be computed annually as provided by Exhibit 11.3.7.2.

**11.3.8 WMAT CAP WATER**

**11.3.8.1** All WMAT CAP Water leased to others in any Year shall be counted as a Diversion and Depletion by WMAT in such Year for the purposes of Paragraph 4.0 and Subparagraph 5.3 without regard to the quantity of water actually delivered under the terms of any such lease agreement.

**11.3.8.2** For WMAT CAP Water exchanged to others for Use by the WMAT, the Diversion of Water in any Year shall be the greater of: (1) the quantity of WMAT CAP Water delivered to an exchanging party in exchange for exchange credits to be utilized by the WMAT, or (2) the quantity of exchange credits Diverted for Use by the WMAT.

**11.3.8.3** For WMAT CAP Water exchanged to others for Use by the WMAT, the Depletion of Water in any Year shall be calculated as provided in Subparagraphs 11.3.1 through 11.3.7, inclusive, resulting from the Diversion of exchange credits for Use by the WMAT during such Year, plus any additional Depletions specified in the exchange agreement between the WMAT and the exchanging party.

**11.3.8.4** All WMAT CAP Water used by the WMAT in any Year shall be counted as a Diversion and Depletion by the WMAT in such Year for the purpose of Paragraph 4.0 and Subparagraph 5.3.

**11.4** Any reuse of Effluent or other return flows following the first Use of such Water on the Reservation and on Off-Reservation Trust Land shall be considered another separate Diversion for purposes of Paragraph 4.0 and Subparagraphs 5.1, 5.2, and 5.3. Depletions from such additional Diversions and Uses shall be computed in accordance with Subparagraph 11.3 and shall be considered separate Depletions for purposes of Paragraph 4.0 and Subparagraphs 5.1, 5.2 and 5.3.

**11.5** Any Diversion of Water, the Use of which does not result in return flow to the Salt River or Little Colorado River Watershed from which it was Diverted shall be considered a Depletion for purposes of Paragraph 4.0 and Subparagraphs 5.1, 5.2, and 5.3.

**11.6** In the event any Party believes the calculation of Diversions or Depletions as provided in Subparagraph 11.2 or 11.3 is no longer the most accurate measure of such Diversions or Depletions, such Party may request the other Parties to consider amending Subparagraphs 11.2 or 11.3 as applicable, including their Exhibits, to provide a more accurate measure of calculating such Diversions or Depletions. Any such requests shall include the proposed change in methodology for measuring Diversions or Depletions. In the event the Parties cannot agree on any such requested change, the requesting Party may petition the Gila River Adjudication Court and the Little Colorado River

Adjudication Court to review the calculation of Diversions or Depletions as provided in Subparagraphs 11.2 or 11.3 and modify the calculation for future reports to the Courts.

**11.7** Notwithstanding any other provisions of this Paragraph 11.0, the Diversion or Depletion of Water shall not be counted more than once for a single Use of Water.

**12.0 WAIVER AND RELEASE OF CLAIMS**

**12.1 WAIVER AND RELEASE OF CLAIMS BY PARTIES OTHER THAN THE WMAT ON BEHALF OF ITSELF AND ITS MEMBERS AND THE UNITED STATES ACTING IN ITS CAPACITY AS TRUSTEE FOR THE WMAT AND ITS MEMBERS**

**12.1.1** Except as provided in Subparagraph 12.5, the Parties, except the WMAT on behalf of itself and its Members and the United States acting in its capacity as trustee for the WMAT and its Members, shall execute a waiver and release of any claims against the WMAT and its Members and the United States acting in its capacity as trustee for the WMAT and its Members, under Federal, State or other law for all:

**12.1.1.1** Past and present claims for Injury to Water Rights resulting from the Diversion or Use of Water on the Reservation and on Off-Reservation Trust Land arising from time immemorial through the Enforceability Date;

**12.1.1.2** Claims for Injury to Water Rights arising after the Enforceability Date resulting from the Diversion or Use of Water on or for the Reservation and on Off-Reservation Trust Land in a manner not in violation of this Agreement;

**12.1.1.3** Past, present, and future claims arising out of, or relating in any manner to, the negotiation, execution, or adoption of this Agreement, an applicable settlement judgment or decree, or the Act.

**12.1.1.4** The waiver and release of claims described in Subparagraph 12.1 shall be in the form set forth in Exhibit 12.1 and shall become effective upon the Enforceability Date.

**12.2 WAIVER AND RELEASE OF CLAIMS FOR WATER RIGHTS AND INJURY TO WATER RIGHTS BY THE WMAT ON BEHALF OF ITSELF AND ITS MEMBERS AND BY THE UNITED STATES ACTING IN ITS CAPACITY AS TRUSTEE FOR THE WMAT AND ITS MEMBERS**

**12.2.1** Except for the specifically retained claims described in Subparagraph 12.6, the WMAT, on behalf of itself and its Members, and the United States, acting in its capacity as trustee for the WMAT and its Members, as part of the performance of the respective obligations of the United States and the WMAT under this Agreement, shall execute a waiver and release of any claims against the State (or any agency or political subdivision of the State) or any other person, entity, corporation, or municipal corporation under Federal, State, or other law for all:

(a)(i) past, present, and future claims for Water Rights for the Reservation and Off-Reservation Trust Land arising from time immemorial and, thereafter, forever; and

(ii) past, present, and future claims for Water Rights arising from time immemorial and, thereafter, forever, that are based on aboriginal occupancy of land by the WMAT, its Members, or their predecessors;

- (b)(i) past and present claims for Injury to Water Rights for the Reservation and Off-Reservation Trust Land arising from time immemorial through the Enforceability Date;
  - (ii) past, present, and future claims for Injury to Water Rights arising from time immemorial and, thereafter, forever, that are based on aboriginal occupancy of land by the WMAT, its Members, or their predecessors; and
  - (iii) claims for Injury to Water Rights arising after the Enforceability Date for the Reservation and Off-Reservation Trust Land resulting from Off-Reservation Diversion or Use of Water in a manner that is not in violation of this Agreement or State law; and
- (c) past, present, and future claims arising out of, or relating in any manner to, the negotiation, execution, or adoption of this Agreement, an applicable settlement judgment or decree, or the Act.

**12.2.2** The waiver and release of claims described in Subparagraph 12.2.1 shall be in the form set forth in Exhibit 12.2 and shall become effective upon the Enforceability Date.

**12.3 WAIVER AND RELEASE OF CLAIMS BY THE WMAT ON BEHALF OF ITSELF AND ITS MEMBERS AGAINST THE UNITED STATES (EXCEPT IN THE CAPACITY OF THE UNITED STATES AS TRUSTEE FOR OTHER INDIAN TRIBES)**

**12.3.1** Except for the specifically retained claims described in Subparagraph 12.7, the WMAT, on behalf of itself and its Members, as part of the performance of the obligations of the WMAT under this Agreement, shall execute a waiver and release of any claim against the United States, including agencies, officials, or

employees of the United States (except in the capacity of the United States as trustee for other Indian tribes), under Federal, State, or other law for any and all:

- (a)(i) past, present, and future claims for Water Rights for the Reservation and Off-Reservation Trust Land arising from time immemorial and, thereafter, forever; and
- (ii) past, present, and future claims for Water Rights arising from time immemorial and, thereafter, forever that are based on aboriginal occupancy of land by the WMAT, its Members, or their predecessors;
- (b)(i) past and present claims relating in any manner to damages, losses, or injuries to Water, Water Rights, land, or other resources due to loss of Water or Water Rights (including damages, losses, or injuries to hunting, fishing, gathering, or cultural rights due to loss of Water or Water Rights, claims relating to interference with, Diversion, or taking of Water, or claims relating to failure to protect, acquire, or develop Water, Water Rights, or Water infrastructure) within the Reservation and Off-Reservation Trust Land that first accrued at any time prior to the Enforceability Date;
- (ii) past, present, and future claims for Injury to Water Rights arising from time immemorial and, thereafter, forever that are based on aboriginal occupancy of land by the WMAT, its Members, or their predecessors; and
- (iii) claims for Injury to Water Rights arising after the Enforceability Date for the Reservation and Off-Reservation Trust Land resulting from the Off-

Reservation Diversion or Use of Water in a manner that is not in violation of this Agreement or applicable law;

- (c) past, present, and future claims arising out of or relating in any manner to, the negotiation, execution, or adoption of this Agreement, an applicable settlement judgment or decree, or the Act;
- (d) past and present claims relating in any manner to pending litigation of claims relating to the Water Rights of the WMAT for the Reservation and Off-Reservation Trust Land;
- (e) past and present claims relating to the operation, maintenance, and replacement of existing irrigation systems on the Reservation constructed prior to the Enforceability Date that first accrued at any time prior to the Enforceability Date, which waiver shall only become effective on the full appropriation and payment to the WMAT of \$4,950,000 of the amounts made available under Section 312(b)(2)(B) of the Act;
- (f) any claims relating to operation, maintenance, and replacement of the WMAT Rural Water System, which waiver shall only become effective on the date on which the funds are made available under Section 312(b)(3)(B) of the Act and deposited in the WMAT Maintenance Fund;
- (g) past and present breach of trust and negligence claims for damage to the land and natural resources of the WMAT caused by riparian and other vegetative manipulation by the United States for the purpose of increasing Water runoff from the Reservation that first accrued at any time prior to the Enforceability Date; and

- (h) past and present claims for trespass, use, and occupancy of the Reservation in, on, and along the Black River that first accrued at any time prior to the Enforceability Date.

**12.3.2** The waiver and release of claims described in Subparagraph 12.3.1 shall be in the form set forth in Exhibit 12.3, and, except where otherwise specifically provided in 12.3.1(e) and 12.3.1(f), shall become effective upon the Enforceability Date.

**12.4 WAIVER AND RELEASE OF CLAIMS BY THE UNITED STATES IN ALL CAPACITIES (EXCEPT AS TRUSTEE FOR AN INDIAN TRIBE OTHER THAN THE WMAT) AGAINST THE WMAT AND ITS MEMBERS**

**12.4.1** Except for the specifically retained claims described in Paragraph 12.8, the United States, in all capacities (except as trustee for an Indian tribe other than the WMAT), as part of the performance of its obligations under this Agreement, shall execute a waiver and release of any and all claims against the WMAT, its Members, or any agency, official, or employee of the WMAT, under Federal, State or any other law for all:

- (a) past and present claims for Injury to Water Rights resulting from the Diversion or Use of Water on the Reservation and on Off- Reservation Trust Land arising from time immemorial through the Enforceability Date;
- (b) claims for Injury to Water Rights arising after the Enforceability Date resulting from the Diversion or Use of Water on the Reservation and on Off-Reservation Trust Land in a manner that is not in violation of this Agreement; and

- (c) past, present, and future claims arising out of or related in any manner to, the negotiation, execution, or adoption of this Agreement, an applicable settlement judgment or decree, or the Act.

**12.4.2** The waiver and release of claims described in Subparagraph 12.4.1 shall be in the form set forth in Exhibit 12.4 and shall become effective upon the Enforceability Date.

**12.5 RESERVATION OF RIGHTS AND RETENTION OF CLAIMS BY THE PARTIES OTHER THAN THE WMAT ON BEHALF OF ITSELF AND ITS MEMBERS OR THE UNITED STATES ACTING AS TRUSTEE FOR THE WMAT AND ITS MEMBERS**

**12.5.1** Notwithstanding the waiver and release of claims described in Subparagraph 12.1 and Exhibit 12.1, the Parties, other than the WMAT on behalf of itself and its Members and the United States acting in its capacity as trustee for the WMAT and its Members, shall retain any right to:

**12.5.1.1** Subject to Subparagraph 16.9, assert claims for injuries to, and seek enforcement of, their rights under this Agreement or the Act in any State court or Federal court of competent jurisdiction;

**12.5.1.2** Assert claims for injuries to, and seek enforcement of, their rights under the Judgment and Decree entered by the court in the Gila River Adjudication Proceedings, the form of which is attached hereto as Exhibit 12.9.6.1;

**12.5.1.3** Assert claims for injuries to, and seek enforcement of, their rights under the Judgment and Decree entered by the court in the Little Colorado River Adjudication Proceedings, the form of which is attached hereto as Exhibit 12.9.6.2;

**12.5.1.4** Assert past, present, and future claims to Surface Water that are not inconsistent with this Agreement;

**12.5.1.5** Assert any claims to Groundwater that are subject to the Gila River Adjudication Proceedings or the Little Colorado River Adjudication Proceedings, or other applicable law;

**12.5.1.6** Assert any claims arising after the Enforceability Date for Injury to Water Rights not specifically waived herein;

**12.6 RESERVATION OF RIGHTS AND RETENTION OF CLAIMS BY THE WMAT ON BEHALF OF ITSELF AND ITS MEMBERS AND THE UNITED STATES ACTING AS TRUSTEE FOR THE WMAT AND ITS MEMBERS**

**12.6.1** Notwithstanding the waiver and release of claims set forth in Subparagraph 12.2, the WMAT, on behalf of itself and its Members, and the United States, acting as trustee for the WMAT and its Members, shall retain any right:

- (a) subject to Subparagraph 16.9, to assert claims for injuries to, and seek enforcement of, the rights of the WMAT and its Members under this Agreement or the Act in any Federal or State court of competent jurisdiction;
- (b) to assert claims for injuries to, and seek enforcement of, the rights of the WMAT under the Judgment and Decree entered by the court in the Gila River Adjudication Proceedings, the form of which is attached as Exhibit 12.9.6.1;
- (c) to assert claims for injuries to, and seek enforcement of, the rights of the WMAT under the Judgment and Decree entered by the court in the Little

Colorado River Adjudication Proceedings, the form of which is attached as Exhibit 12.9.6.2;

- (d) to object to any claims by or for any other Indian tribe, Indian community or nation, or dependent Indian community, or the United States on behalf of such a tribe, community, or nation;
- (e) to participate in the Gila River Adjudication Proceedings and the Little Colorado River Adjudication Proceedings to the extent provided in Subparagraph 14.1;
- (f) to assert any claims arising after the Enforceability Date for Injury to Water Rights not specifically waived in Subparagraph 12.2;
- (g) to assert any past, present, or future claim for Injury to Water Rights against any other Indian tribe, Indian community or nation, dependent Indian community, allottee, or the United States on behalf of such a tribe, community, nation or allottee;
- (h) to assert any past, present, or future claim for trespass, use, and occupancy of the Reservation in, on, or along the Black River against Freeport-McMoran Copper & Gold, Inc., Phelps Dodge Corporation, or Phelps Dodge Morenci, Inc., (or a predecessor or successor of those entities), including all subsidiaries and affiliates of those entities; and
- (i) to assert claims arising after the Enforceability Date for Injury to Water Rights resulting from the pumping of Water from land located within national forest land as of January 13, 2009 in the south ½ of T. 9 N., R. 24 E., the south ½ of T. 9 N., R. 25 E., the north ½ of T. 8 N., R. 24 E., or the

north ½ of T.8 N., R. 25 E., if Water from that land is used on the land or is transported off the land for municipal, commercial, or industrial Use.

**12.7 RESERVATION OF RIGHTS AND RETENTION OF CLAIMS BY THE WMAT ON BEHALF OF ITSELF AND ITS MEMBERS AGAINST THE UNITED STATES**

**12.7.1** Notwithstanding the waiver and release of claims set forth in Subparagraph 12.3,

the WMAT, on behalf of itself and its Members, shall retain any right:

- (a) subject to Subparagraph 16.9, to assert claims for injuries to, and seek enforcement of, the rights of the WMAT and its Members under this Agreement or the Act in any Federal or State court of competent jurisdiction;
- (b) to assert claims for injuries to, and seek enforcement of, the rights of the WMAT and Members under the Judgment and Decree entered by the court in the Gila River Adjudication Proceedings, the form of which is attached as Exhibit 12.9.6.1;
- (c) to assert claims for injuries to, and seek enforcement of, the rights of the WMAT and Members under the Judgment and Decree entered by the court in the Little Colorado River Adjudication Proceedings, the form of which is attached as Exhibit 12.9.6.2;
- (d) to object to any claims by or for any other Indian tribe, Indian community or nation, or dependent Indian community, or the United States on behalf of such a tribe, community, or nation;
- (e) to assert past, present or future claims for Injury to Water Rights, or any other claims other than a claim to Water Rights, against any other Indian

tribe, Indian community or nation, or dependent Indian community, or the United States on behalf of such a tribe, community, or nation;

- (f) to assert claims arising after the Enforceability Date for Injury to Water Rights resulting from the pumping of Water from land located within national forest land as of January 13, 2009 in the south ½ of T. 9 N., R. 24 E., the south ½ of T. 9 N., R. 25 E., the north ½ of T. 8 N., R. 24 E., or the north ½ of T.8 N., R. 25 E., if Water from that land is used on the land or is transported off the land for municipal, commercial, or industrial Use;
- (g) to assert any claims arising after the Enforceability Date for Injury to Water Rights not specifically waived in Subparagraph 12.3;
- (h) to seek remedies and assert any other claims not specifically waived in Subparagraph 12.3; and
- (i) to assert any claim arising after the Enforceability Date for a future taking by the United States of Reservation land, Off-Reservation Trust Land, or any property rights appurtenant to that land, including any Water Rights set forth in Paragraph 4.0.

## **12.8 UNITED STATES' RESERVATION OF RIGHTS AND RETENTION OF CLAIMS**

**12.8.1** Notwithstanding the waiver and release of claims described in Subparagraph 12.4, the United States shall retain any right to assert any claims not specifically waived in Subparagraph 12.4.

**12.9 GENERAL**

**12.9.1** Except as provided in Subparagraphs 4.14, 12.2.1(a)(ii), 12.2.1(b)(ii), 12.3.1(a)(ii) and 12.3.1(b)(ii), nothing in the Act or this Agreement shall affect any rights to Water of the WMAT, its Members, or the United States acting in its capacity as trustee for the WMAT and its Members, for land outside the boundaries of the Reservation or Off-Reservation Trust Land.

**12.9.2** Beginning on the Enforceability Date all land held by the United States in trust for the WMAT and its Members shall have no rights to Water other than those specifically quantified for the WMAT and the United States, acting in its capacity as trustee for the WMAT and its Members, for the Reservation and Off-Reservation Trust Land pursuant to Paragraph 4.0. Except as set forth in this Agreement, the benefits realized by the WMAT and its Members under this Agreement and the Act shall be in full satisfaction of all claims of the WMAT, its Members and the United States acting as trustee for benefit of the WMAT and its Members, for Water Rights and Injury to Water Rights, under Federal, State, or other law with respect to the Reservation and Off-Reservation Trust Land. Notwithstanding the preceding sentence, nothing in this Agreement or the Act recognizes or establishes any right of a Member to Water on the Reservation or on Off-Reservation Trust Land.

**12.9.3** Any entitlement to Water of the WMAT or its Members or the United States acting in its capacity as trustee for the WMAT and its Members for the Reservation and Off-Reservation Trust Land shall be satisfied out of the Water

resources granted, quantified, confirmed or recognized to or for the WMAT and the United States acting in its capacity as trustee for the WMAT by this Agreement and the Act.

**12.9.4** Except as provided in Subparagraph 12.6.1(i) and 12.7.1(f), the WMAT and the United States acting in its capacity as trustee for the WMAT shall not: (1) object to the use of any well located outside the boundaries of the Reservation or the Off-Reservation Trust Land in existence on the Enforceability Date; or (2) object to, dispute or challenge after the Enforceability Date the drilling of any well or the withdrawal and Use of Water from any well in the Little Colorado River Adjudication Proceedings, the Gila River Adjudication Proceedings or in any other judicial or administrative proceeding.

**12.9.5** Nothing in this Agreement or the Act affects any right of the United States to take any action, including environmental actions, under any laws (including regulations and the common law) relating to human health, safety, or the environment.

**12.9.6 FORMS OF JUDGMENT**

**12.9.6.1** The Parties that are parties to the Gila River Adjudication Proceedings shall file and seek approval of a Judgment and Decree in the Gila River Adjudication Proceedings substantially in the form of Exhibit 12.9.6.1.

**12.9.6.2** The Parties that are parties to the Little Colorado River Adjudication Proceedings shall file and seek approval of a Judgment and Decree in the Little

Colorado River Adjudication Proceedings substantially in the form of Exhibit  
12.9.6.2.

**12.9.7** Nothing in this Agreement or the Act expands, diminishes, or impacts any claims the WMAT may assert, or any defense the United States may assert, concerning title to land outside the most current survey, as of December 8, 2010, of the northern boundary of the Reservation.

**13.0 FEDERAL APPROPRIATIONS AND LOCAL CONTRIBUTIONS**

**13.1** The Parties, excluding the United States, agree to use their good faith efforts to support the appropriations authorized in Sections 312(b)(2) and 312(e)(2)(B) of the Act. The Parties, excluding the United States, agree to establish a communication process for notifying the Parties when the WMAT requests legislative support. The Parties, excluding the United States, agree to support implementation of this Agreement and the Act by including WMAT Congressional legislation in the legislative agendas approved by their governing bodies or other means as appropriate.

**13.2** A combination of funding will be made available and deposited as provided in the Act.

**13.3** The State of Arizona shall provide \$2 million for the implementation of this Agreement, which in accordance with Section 310(a)(2) of the Act will be deposited into the WMAT Water Rights Settlement Subaccount established by Section 310(a) of the Act.

**13.4** Enforceability of this Agreement is conditioned upon the satisfaction of all of the conditions set forth in Section 309(d)(1) of the Act, including the deposit of the State's contribution of funds as provided in Section 309(d)(1)(D) of the Act and Subparagraph 13.3 and the deposit of Federal funds into the White Mountain Apache Water Rights Settlement Subaccount as provided in Section 312(a) of the Act.

**13.5** Neither the Federal funds authorized, appropriated, or transferred in or under the Act, nor any contribution pursuant to this Paragraph, nor any interest or income accruing on the principal of the Federal or contributed funds, shall be distributed to any Member on a per capita basis.

**14.0 CONFIRMATION OF RIGHTS**

**14.1** Status of WMATs' claims:

**14.1.1** The WMAT agrees to intervene in the Gila River Adjudication Proceedings for at least the limited purposes of seeking the court's approval of the Judgment and Decree, pursuant to the Arizona Supreme Court's May 16, 1991, Special Procedural Order Providing for the Approval of Federal Water Rights Settlements, Including Those of Indian Tribes, substantially in the form of Exhibit 12.9.6.1, and to the court's continuing jurisdiction for enforcement purposes. The WMAT agrees to intervene in the Little Colorado Adjudication Proceedings for at least the limited purposes of seeking the court's approval of the Judgment and Decree, pursuant to the Arizona Supreme Court's September 27, 2000,

Administrative Order, substantially in the form of Exhibit 12.9.6.2, and to the court's continuing jurisdiction for enforcement purposes.

**14.1.2** The Parties, including the United States in all its capacities except as trustee for Indian tribes other than the WMAT, ratify, confirm, declare to be valid, and shall not object to, dispute or challenge in the Gila River Adjudication Proceedings or in the Little Colorado River Adjudication Proceedings, or in any other judicial or administrative proceeding, the rights of the WMAT and the United States acting in its capacity as trustee for the WMAT to the Water Rights or to the Use of Water, quantified in this Agreement and in the Act.

**14.1.3** Except as provided in Subparagraphs 12.6.1 and 14.1.4, the WMAT and the United States acting in its capacity as trustee for the WMAT shall neither challenge nor object to claims of other persons for the Use of Water from the Salt River and the Little Colorado River and their tributaries in the Gila River Adjudication Proceedings, the Little Colorado River Adjudication Proceedings or in any other judicial or administrative proceedings.

**14.1.4** The WMAT and the United States acting in its capacity as trustee for the WMAT reserve and retain the right to challenge or object to any claim for Use of Water by or on behalf of the following persons or entities:

**14.1.4.1** The Gila River Indian Community of the Gila River Indian Reservation,  
Arizona;

**14.1.4.2** The Tonto Apache Tribe of Arizona;

**14.1.4.3** The San Carlos Apache Tribe of the San Carlos Reservation, Arizona;

**14.1.4.4** The Salt River Pima-Maricopa Indian Community of the Salt River  
Reservation, Arizona;

**14.1.4.5** Freeport-McMoRan Copper & Gold, Inc., Phelps Dodge Corporation,  
Phelps Dodge Morenci, Inc., their predecessors and successors, including all  
subsidiaries and affiliates;

**14.1.4.6** Such persons or entities responsible for Injury to Water Rights arising after  
the Enforceability Date resulting from the drilling of wells or pumping of Water  
from lands located within national forest lands as of the date of this Agreement in  
the south half of T. 9 N., R. 24 E.; south half of T. 9 N., R. 25 E., north half of T.  
8 N., R. 24 E.; north half of T. 8 N., R. 25 E., in the event title to such lands is no  
longer retained by the United States or Water from such lands is transported off  
such lands for M&I Use.

## **14.2 SRP RIGHTS**

**14.2.1** All of the Parties, including the United States in all of its capacities except as  
trustee for Indian tribes other than the WMAT, ratify, confirm, declare to be valid,  
and agree not to object to, dispute, or challenge in the Gila River Adjudication  
Proceedings, or in any other judicial or administrative proceeding, the rights of  
SRP and its shareholders to the Waters of the Salt and Verde rivers, which rights

are appurtenant to the lands of SRP and its shareholders, and are described, stated, confirmed or established in the following documents:

**14.2.1.1** Notices of Appropriation of Water posted and subsequently recorded by the Hudson Reservoir and Canal Company on April 22, 1893, with the Gila County, Arizona, Recorder's Office in Book of Miscellaneous Records No. 1 at Pages 478 to 480; on April 25, 1893, with the Maricopa County, Arizona, Recorder's Office in Book of Canals No. 1 at Pages 283-285; on April 29, 1893, with the Yuma County, Arizona, Recorder's Office in Book of Homestead and Pre-emption Claims No. 1 at Pages 76-78; on May 1, 1893, with the Office of the Secretary of the Arizona Territory in Book of Water Filings and Locations No. 1 at Pages 8-13; on August 26, 1893, with the Maricopa County, Arizona, Recorder's Office in Book of Canals No. 1 at Pages 310-312; on August 26, 1893, with the Gila County, Arizona, Recorder's Office in Book of Miscellaneous Records, No. 1 at Pages 534-538; on February 1, 1894, with the Office of the Secretary of the Arizona Territory in Book of Water Filings and Locations No. 1 at Pages 53-57; on August 30, 1901, with the Gila County, Arizona, Recorder's Office in Book of Miscellaneous Records No. 2 at Pages 292-293; on August 31, 1901, with the Maricopa County, Arizona, Recorder's Office in Book of Canals No. 2 at Pages 74-76; on August 31, 1901, with the Office of the Secretary of the Arizona Territory in Book of Water Filings and Locations No. 2 at Pages 191-195; on August 31, 1901, in the Office of the Secretary of the Arizona Territory in Book of Water Filings and Locations No. 2 at Pages 239-242; on February 26, 1900, in the Office of the Secretary of the Arizona Territory in Book of Filings and

Locations No. 2 at Pages 131-133; on March 3, 1900, in the Office of the Secretary of the Arizona Territory in Book of Water Filings and Locations No. 2 at Pages 154-157.

**14.2.1.2** Notice of Appropriation of Water posted and recorded by Frank H. Parker, Secretary of the Salt River Valley Water Users' Association, with the Maricopa County, Arizona, Recorder's Office in Book of Canals No. 2 at page 155 on February 8, 1906.

**14.2.1.3** Notice of Appropriation of Water posted on February 6, 1906 and recorded by Louis C. Hill, Supervising Engineer, United States Geological Survey, with the Maricopa County, Arizona, Recorder's Office in Book of Canals No. 2 at page 156 on February 8, 1906.

**14.2.1.4** Notice of Appropriation of Water posted on March 4, 1914, and recorded by John P. Orme, President of the Salt River Valley Water Users' Association, with the Maricopa County, Arizona, Recorder's Office in Book of Canals No. 2 at page 379 on March 6, 1914.

**14.2.1.5** Decision and Decree, and all Decrees supplemental thereto, entered in *Hurley v. Abbott*, in the District Court of the Third Judicial District of the Territory of Arizona in and for the County of Maricopa, No. 4564, March 1, 1910.

**14.2.1.6** Decision and Decree, and all supplemental Decrees thereto, entered in *Benson v. Allison*, in the Superior Court of Maricopa County, State of Arizona,

No. 7589, November 14, 1917, solely as applied to the Northeast  $\frac{1}{4}$  of Section 25, Township 1 North, Range 1 East, G&SRB&M.

**14.2.1.7** Salt River Valley Water Users' Association Articles of Incorporation, as amended, in existence on the Enforceability Date.

**14.2.1.8** Water right applications approved and accepted by the authority of the Secretary of the Interior for homestead lands under the Reclamation Act and for Lands in Private Ownership and Lands Other than Homesteads under the Reclamation Act between the United States of America, Department of Interior, Bureau of Reclamation and individual shareholders of the Salt River Valley Water Users' Association.

**14.2.1.9** Agreement between the United States of America and the Salt River Valley Water Users' Association, dated June 25, 1904.

**14.2.1.10** Contract between the United States of America and Salt River Valley Water Users' Association dated September 6, 1917, as amended on July 26, 1922, April 25, 1928, June 30, 1930, November 29, 1930, September 10, 1941, and June 30, 1950.

**14.2.1.11** Contract between the United States of America and Salt River Valley Water Users' Association, dated June 3, 1935 (Verde River Storage Works).

**14.2.1.12** Contract between the United States of America and Salt River Valley

Water Users' Association, dated November 26, 1935, as amended on October 14, 1936, October 2, 1939, and September 10, 1941 (Construction of Bartlett Dam).

**14.2.1.13** Contract between Salt River Valley Water Users' Association and Salt

River Project Agricultural Improvement and Power District, dated March 22, 1937, as amended on February 28, 1944, and September 12, 1949.

**14.2.1.14** Agreement between Salt River Valley Water Users' Association, Phelps

Dodge Corporation and Defense Plant Corporation, dated March 1, 1944 (Horseshoe Dam Construction and Operation).

**14.2.2** All of the Parties, including the United States in its capacity as trustee for the WMAT, agree not to object to, dispute or challenge in the Little Colorado River Adjudication Proceedings, or in any other judicial or administrative proceeding, the right of SRP to withdraw up to 21,000 AFY of Underground Water for Use at the Coronado Generating Station, located in Apache County, Arizona.

**14.3 BUCKEYE RIGHTS**

**14.3.1** All of the Parties, including the United States in all of its capacities except as trustee for Indian tribes other than the WMAT, ratify, confirm, declare to be valid, and agree not to object to, dispute, or challenge in the Gila River Adjudication Proceedings, or in any other judicial or administrative proceeding, the rights of the Buckeye Water Conservation & Drainage District, and the Buckeye Irrigation Company and its shareholders, to the Waters of the Salt, Verde and Gila rivers,

which rights are appurtenant to lands currently provided with Water by the Buckeye Irrigation Company or within Buckeye Water Conservation & Drainage District, and which rights are described, confirmed, or established by virtue of the following documents, decrees and enactments:

**14.3.1.1** Notices of location and appropriation of waters of the Gila River posted March 10, 1877, and recorded March 12, 1877, in Book 1 of Canals, page 22, and posted May 28, 1885, and recorded June 3, 1885, in Book 1 of Canals, Page 80, and posted July 24, 1886, and recorded October 8, 1886, in Book 1 of Canals, page 94, in the records of Maricopa County, Arizona.

**14.3.1.2** The Articles of Incorporation and Bylaws of the Buckeye Irrigation Company, as amended and in effect as of the Enforceability Date.

**14.3.1.3** The decree of November 14, 1917, and all amendments and supplements thereto, entered in *Benson v. Allison, et al.*, No. 7589 in the Superior Court of Maricopa County, Arizona, as applicable to all lands described therein and now provided with Water diverted from the Gila River at the head gate of the Buckeye Canal in Section 28, Twp. 1 N., R. 1 W., G&SRB&M, Maricopa County, Arizona.

**14.3.1.4** The order of the Board of Supervisors of Maricopa County, Arizona, dated November 6, 1922, creating the Buckeye Water Conservation & Drainage District and including specified lands within the boundaries thereof, and the provisions of Chapter 19, Title 48, Arizona Revised Statutes, establishing the rights of lands to

Waters available for distribution within such District as in effect at the time of the Enforceability Date.

**14.3.1.5** The stipulations, judgments and decrees made and entered in *Buckeye Irrigation Company v. Salt River Valley Water Users' Association, et al.*, No. 30869-B in the Superior Court of Maricopa County, Arizona, including, but not limited to the judgment in favor of Buckeye Irrigation Company and against Salt River Valley Water Users' Association entered September 29, 1944.

#### **14.4 CITY OF PHOENIX RIGHTS**

**14.4.1** All of the Parties, including the United States in all of its capacities except as trustee for Indian tribes other than the WMAT, ratify, confirm, declare to be valid and agree not to object to, dispute or challenge, in the Gila River Adjudication Proceedings, or otherwise, the rights of the City of Phoenix in the Waters of the Salt and Verde rivers, which rights are described, stated, confirmed or established in the following documents:

**14.4.1.1** Contract No. 1830 between the United States of America, the City of Phoenix and the Salt River Valley Water Users' Association dated October 7, 1948.

**14.4.1.2** Contract No. 1604 between the Salt River Valley Water Users' Association and the City of Phoenix dated November 22, 1946, to the extent that Contract No. 1604 is in accordance with and consistent with Contract No. 1830 described in Subparagraph 14.4.1.1.

**14.4.1.3** Certificate of Water Right No. 1999 from the State of Arizona to the City of Phoenix.

**14.5 PLAN 6 BUREAU OF RECLAMATION STORAGE AND APPROPRIATIVE RIGHTS**

**14.5.1 MODIFIED ROOSEVELT DAM**

All of the Parties, including the United States in all of its capacities except as trustee for Indian tribes other than the WMAT, ratify, confirm, declare to be valid and agree not to object to, dispute or challenge, in the Gila River Adjudication Proceedings, or otherwise, the rights of the United States in the Waters of the Salt River, which rights are described, stated, confirmed or established in Permit to Appropriate Surface Waters of the State of Arizona No. R-2128 issued by the State of Arizona to the U.S. Bureau of Reclamation.

**14.5.2 NEW WADDELL DAM**

All of the Parties, including the United States in all of its capacities except as trustee for Indian tribes other than the WMAT, ratify, confirm, declare to be valid and agree not to object to, dispute or challenge, in the Gila River Adjudication Proceedings, or otherwise, the rights of the United States in the Waters of the Agua Fria River, which rights are described, stated, confirmed or established in Permit to Appropriate Surface Waters of the State of Arizona No. 33-87832 issued by the State of Arizona to the U.S. Bureau of Reclamation.

## **14.6 PLAN 6 STATE APPROPRIATIVE RIGHTS**

### **14.6.1 MODIFIED ROOSEVELT DAM**

All of the Parties, including the United States in all of its capacities except as trustee on behalf of any Indian tribe other than the WMAT, ratify, confirm, declare to be valid and agree not to object to, dispute or challenge, in the Gila River Adjudication Proceedings, or otherwise, the rights of the cities of Phoenix, Scottsdale, Mesa, Chandler, Glendale and Tempe in the Waters of the Salt River, which rights are described, stated, confirmed or established in the following documents:

**14.6.1.1** Permit to Appropriate Surface Waters of the State of Arizona No. 33-96226 issued by the State of Arizona to the City of Tempe;

**14.6.1.2** Permit to Appropriate Surface Waters of the State of Arizona No. 33-96227 issued by the State of Arizona to the City of Scottsdale;

**14.6.1.3** Permit to Appropriate Surface Waters of the State of Arizona No. 33-96228 issued by the State of Arizona to the City of Phoenix;

**14.6.1.4** Permit to Appropriate Surface Waters of the State of Arizona No. 33-96229 issued by the State of Arizona to the City of Mesa;

**14.6.1.5** Permit to Appropriate Surface Waters of the State of Arizona No. 33-96230 issued by the State of Arizona to the City of Glendale; and

**14.6.1.6** Permit to Appropriate Surface Waters of the State of Arizona No. 33-96231 issued by the State of Arizona to the City of Chandler.

#### **14.6.2 NEW WADDELL DAM**

All of the Parties, including the United States in all of its capacities except as trustee on behalf of any Indian tribe other than WMAT, ratify, confirm, declare to be valid and agree not to object to, dispute or challenge in the Gila River Adjudication Proceedings, or otherwise, the rights of CAWCD in the Waters of the Agua Fria River, which rights are described, stated, confirmed or established in Permit to Appropriate Surface Waters of the State of Arizona No. 33-89719 issued by the State of Arizona to the CAWCD.

#### **14.7 RWCD RIGHTS**

**14.7.1** All of the Parties, including the United States in all of its capacities except as trustee for Indian tribes other than the WMAT, ratify, confirm and declare to be valid the rights of RWCD under and as defined in that agreement between the Salt River Valley Water Users' Association and RWCD dated October 24, 1924, and approved by the Secretary on December 2, 1924, and all amendments and modifications thereto as of the Enforceability Date. All of the Parties, including the United States in all of its capacities except for the United States acting as trustee for Indian tribes other than the WMAT, recognize and confirm the entitlement of RWCD to Surface Water from the Salt and Verde River systems and agree not to object to, dispute or challenge, in the Gila River Adjudication Proceedings, or in any other judicial or administrative proceeding, such rights, which rights are evidenced by, described, stated, confirmed or established in the following documents and instruments: the agreement between the Salt River Valley Water Users' Association and RWCD dated October 24, 1924, and

approved by the Secretary on December 2, 1924; the stipulation dated September 18, 1940, the decision dated on or about September 18, 1940, the judgment dated September 19, 1940, and the order dated September 19, 1940, in *W.C. Lehane v. Salt River Valley Water Users' Association, et al.*, Cause No. 32021-C in the Superior Court of Maricopa County, Arizona; and the agreement between SRP and RWCD dated September 9, 1954.

**14.7.2** All of the Parties, including the United States in all of its capacities except as trustee for Indian tribes other than the WMAT, recognize and confirm that the measure of RWCD's Surface Water entitlement under the documents and instruments identified in Subparagraph 14.7.1 is five and six-tenths percent (5.6%) of the sum of all Surface Water, except Spill Water, diverted at Granite Reef Dam or other points on the Salt and Verde Rivers (a) for Use on the lands within the SRRD described in Exhibit 14.7.2, (b) for distribution by Glendale, Mesa, Phoenix, Tempe, and Chandler, or other cities, or towns, or their successors, to the lands within the SRRD listed on Exhibit 14.7.2, and (c) all Surface Water delivered to SRP below Granite Reef Dam for Use on the lands within the SRRD listed on Exhibit 14.7.2 in exchange for Surface Water that otherwise would have been diverted at Granite Reef Dam for delivery to such lands; minus the first 19,427 acre-feet of Surface Water delivered by SRP each year to the City of Phoenix domestic water treatment plants. Except as provided in this Subparagraph 14.7.2, all rights and obligations contained in the documents and instruments referred to in Subparagraph 14.7.1 hereof shall remain in full force and effect. RWCD's entitlement as set forth in this Subparagraph 14.7 shall

not include any yield from additional active conservation capacity (increases in reservoir capacity assigned to regulate reservoir outflow for irrigation, power and municipal and industrial use which result from modifications of Roosevelt Dam) in Plan 6 facilities (Plan 6 for the regulatory storage division of the CAP, which, for purposes of this Subparagraph 14.7.2 is limited to modifications to Roosevelt Dam on the Salt River).

**14.7.3** All of the Parties, including the United States in all of its capacities except as trustee for Indian tribes other than the WMAT, acknowledge that RWCD's Water Rights as described in the documents and instruments referred to in Subparagraph 14.7.1 hereof are appropriative rights and are appurtenant to RWCD lands. Should any other entity succeed to all of RWCD's Water entitlement and system capacity, it shall assume RWCD's rights and obligations to the WMAT and SRP under this Agreement. Nothing in this Agreement shall be construed as a grant of rights between SRP and RWCD for the use of SRP facilities to deliver RWCD's entitlement.

**14.7.4** "Spill Water" for purposes of Subparagraph 14.7.2, shall mean flood flow waters from the Salt and Verde Rivers in excess of the storage capacity of SRP reservoirs as such reservoirs existed on February 12, 1988.

## **15.0 WMAT WATER CODE**

**15.1** The WMAT shall have the right to allocate Water to all users on the Reservation and on Off-Reservation Trust Lands pursuant to the Water Code and to manage, regulate

and control the Use on the Reservation and on Off-Reservation Trust Land, of all of the Water Rights quantified to the WMAT by this Agreement.

**15.2** No later than eighteen (18) months following the Enforceability Date, the WMAT shall have enacted a Water Code governing all of the Water Rights quantified to the WMAT by this Agreement. The Water Code shall include, at a minimum, the following provisions:

**15.2.1** Provisions requiring the measurement, calculation and recordation of all Diversions and Depletions of Water on the Reservation and on Off-Reservation Trust Land.

**15.2.2** Terms of a water conservation plan, including objectives, conservation measures and an implementation timeline, as provided in Section 305(e)(2)(B) of the Act.

**15.2.3** Provisions requiring the approval of the WMAT for the severance and transfer of rights to the Use of Water from historically irrigated lands identified in accordance with Subparagraph 11.3.2.1 to Diversions and Depletions on other non-historically irrigated lands not located on the watershed of the same Water source.

**15.2.4** Provisions requiring the authorization of the WMAT for all Diversions of Water on the Reservation and on Off-Reservation Trust Land by any individual or entity other than the WMAT.

**16.0 OTHER PROVISIONS**

**16.1 RECLAMATION REFORM ACT**

Pursuant to Section 311(d) of the Act, the Reclamation Reform Act of 1982 (43 U.S.C. §§ 390aa, et seq.) and any other acreage limitation or full cost pricing provision under Federal law shall not apply to any individual, entity or land solely on the basis of: (A) receipt of any benefit under the Act, (B) execution or performance of this Agreement, or (C) the Use, storage, delivery, lease, or exchange of CAP Water.

**16.2 NO STANDARD FOR USE FOR QUANTIFICATION OF OTHER INDIAN RIGHTS OR CLAIMS**

Nothing in this Agreement shall be construed as establishing any standard to be used for the quantification of Federal reserved rights, aboriginal claims, or any other Indian claims to Water in any judicial or administrative proceeding.

**16.3 ENTIRE UNDERSTANDING**

This Agreement constitutes the entire understanding among the Parties. Evidence of conduct or statements made in the course of negotiating this Agreement, including, but not limited to previous drafts of this Agreement, is inadmissible in any legal proceedings other than one for approval or confirmation of this Agreement.

**16.4 MODIFICATIONS TO AGREEMENT AND AMENDMENTS TO EXHIBITS**

No modification of this Agreement shall be effective unless it is in writing, signed by all Parties, and is approved by the Gila River Adjudication Court or the Little Colorado River Adjudication Court, as applicable. Notwithstanding the foregoing, Exhibits to this Agreement may be amended by the parties to such Exhibits in accordance

with their terms, without court approval, unless such approval is required in the Exhibit or by law; provided, however, that no amendment of any Exhibit may violate any provisions of the Act, or this Agreement, or adversely affect the rights under this Agreement of any Party who is not a signatory of such an amendment.

## **16.5 STATE CAPACITY**

Execution of this Agreement by the Governor of the State constitutes the commitment of the State to carry out the terms and conditions of Subparagraphs 7.17, 12.1, and 16.6. Except as provided in the preceding sentence, it is not intended that this Agreement shall be determinative of any decision to be made by any State agency in any administrative, adjudicatory, rule making, or other proceeding or matter. The State's participation as a Party shall be as described herein and shall not bind the State as to a waiver of rights or release of claims, if any, for lands received by the State from the United States pursuant to the provisions of:

- (a) The Act of September 9, 1850, 9 Stat. 446 (creating the Territory of New Mexico);
- (b) The December 30, 1853 Treaty with Mexico, 10 Stat. 1031 (the Gadsden Purchase);
- (c) The Act of 1863, 12 Stat. 664 (creating the Territory of Arizona);
- (d) The Act of February 18, 1881, 21 Stat. 326 (University of Arizona 1881 Grant);
- (e) The Arizona-New Mexico Enabling Act of June 20, 1910, 36 Stat. 557; and
- (f) The Act of February 20, 1929, c. 280, § 2, 45 Stat. 1252 (land for miners' hospitals for disabled miners within said State).

**16.6 OBLIGATION TO WORK IN GOOD FAITH TO ACHIEVE ENFORCEABILITY OF AGREEMENT**

As of December 31, 2008, each Party shall have the obligation to work in good faith to satisfy the conditions set forth in Section 309(d) of the Act. Except as provided in the preceding sentence, no Party, by reason of its execution of this Agreement, shall be required to perform any of the obligations or be entitled to receive any of the benefits under this Agreement until the Enforceability Date.

**16.7 AUTHORITY TO EXECUTE**

Each Party represents that the person signing this Agreement on behalf of such Party has the authority to execute it.

**16.8 CHANGES IN USES ON SRRD AND RWCD LANDS**

All of the Parties, including the United States in all of its capacities except as trustee for Indian tribes other than the WMAT, recognize that Water Uses on the urbanized portions of the lands within SRRD and RWCD have changed and will continue to change from agricultural Uses to M&I Uses. The Parties including the United States in all of its capacities except as trustee for Indian tribes other than the WMAT agree that such changes in Use are valid, and that Water appurtenant to lands that are now or will become urbanized within a particular municipal or other water service area may be delivered for M&I Uses on such urbanized lands and the Water Rights appurtenant to such urbanized lands shall carry the original priority dates. With the exception of type of Use, these Water Rights are as described in the Kent Decree, the Lehane decision (*W.C. Lehane v. Salt River Valley Water Users' Assoc., et al.*, Cause No. 32021-C) and the

documents referred to therein. No Party, including the United States in all of its capacities except as trustee for Indian tribes other than the WMAT, shall challenge or otherwise object to these rights on the basis of change of Use, nature of delivery, or on any other bases in any judicial or administrative proceeding. As to urbanized lands within the SRRD, the Parties including the United States in all of its capacities except as trustee for Indian tribes other than the WMAT agree that the historical practices of the cities and towns located within the geographic limits of SRRD and SRP and the general nature of the rights are appropriately described in the Water Commissioner's Report of June 3, 1977, a copy of which is attached as Exhibit 16.8. Nothing in this Subparagraph 16.8 shall be construed as authorizing the delivery of Water to any municipality by SRP or RWCD for M&I Uses within the SRRD or RWCD, respectively, in the absence of a written delivery agreement between any such municipality and SRP or RWCD.

**16.9 RIGHT TO PETITION ANY COURT OF COMPETENT JURISDICTION**

Any Party shall have the right to petition any State court or Federal court of competent jurisdiction for such declaratory and injunctive relief as may be necessary to enforce the terms, conditions, and limitations of this Agreement. Nothing contained herein waives the right of the United States or the WMAT to object to the jurisdiction of the courts of the State to adjudicate any dispute arising under this Agreement or the Act. Furthermore, nothing herein waives the right of any Party to object to the jurisdiction of any Federal court to adjudicate any dispute arising under this Agreement or the Act.

**16.10 GOVERNING LAW**

This Agreement shall be construed in accordance with applicable State and Federal law.

**16.11 SUCCESSORS AND ASSIGNS**

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties.

**16.12 ANTI-DEFICIENCY ACT**

The United States shall not be liable for failure to carry out any obligation or activity authorized to be carried out under the Act (including any such obligation or activity under this Agreement) if adequate appropriations are not provided by Congress expressly to carry out the purposes of the Act.

**16.13 NO BENEFIT TO MEMBERS OF CONGRESS OR RESIDENT COMMISSIONERS**

No Member of or delegate to Congress or Resident Commissioner shall be admitted to any share of this Agreement or to any benefit that may arise herefrom. This restriction shall not be construed to extend to this Agreement if made with a corporation or company for its general benefit.

**16.14 FEDERAL AUTHORITY**

Exhibit 2.2 is the Act that authorizes the Federal action required to carry out this Agreement. If any amendment of the Act is enacted prior to the Enforceability Date that materially and adversely affects a Party's rights or interests under this Agreement without the written consent of that Party, then that Party, upon its written notice to all other

Parties, shall be relieved of its rights, obligations, and entitlements hereunder; provided, however, that such written notice must be given to all Parties no later than the Enforceability Date.

**16.15 DUPLICATE ORIGINALS AND COUNTERPARTS**

This Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which, when taken together, shall constitute one and the same instrument. This Agreement also may be executed in duplicate originals, each of which shall constitute an original Agreement.

**16.16 NO QUANTIFICATION OR EFFECT ON WATER RIGHTS, CLAIMS OR ENTITLEMENTS TO WATER OF OTHER TRIBES**

Nothing in this Agreement shall be construed to quantify or otherwise affect the Water Rights, claims or entitlements to Water of any tribe, band or community other than the WMAT.

**16.17 NO EFFECT ON FUTURE ALLOCATIONS**

Water received under a lease or exchange of WMAT CAP Water under the Act shall not affect any future allocation or reallocation of CAP Water by the Secretary.

**16.18 CONSTRUCTION AND EFFECT**

The Paragraph and Subparagraph titles used in this Agreement are for convenience only and shall not be considered in the construction of this Agreement.

**16.19 NOTICES AND REPORTS**

All notices and reports required to be given hereunder shall be in writing and may be given in person, by facsimile transmission, or by United States mail postage prepaid, and shall become effective at the earliest date of actual receipt by the Party to whom notice is given, when delivered to the designated address of the Party, or if mailed, forty-eight (48) hours after deposit in the United States mail addressed as shown below or to such other address as such Party may from time to time designate in writing. Any notice or report required to be given hereunder, if due on a date certain that falls on a Saturday, Sunday or federally recognized holiday, shall be due the next following business day.

As to the United States of America:

Secretary of the Interior  
Department of the Interior  
1849 C Street, N.W., Mail Stop 4100-MIB  
Washington, D.C. 20240

Regional Director  
Bureau of Indian Affairs  
Western Regional Office  
2600 N. Central Avenue, 4<sup>th</sup> Floor  
Phoenix, Arizona 85001

Regional Director  
Bureau of Reclamation  
Lower Colorado Region  
P.O. Box 61470  
Boulder City, Nevada 89006-1470

As to the State of Arizona:

Office of the Governor  
1700 West Washington Street  
Phoenix, Arizona 85007

Arizona Department of Water Resources  
3550 N. Central Avenue  
Phoenix, Arizona 85012  
Attn: Director

As to the White Mountain Apache Tribe:

Office of the Tribal Chairman  
P.O. Box 1150  
Whiteriver, Arizona 85941

Alternatively, for Federal Express and UPS delivery:  
Office of the Tribal Chairman  
201 East Walnut Street  
Whiteriver, Arizona 85941

As to the Salt River Project Agricultural Improvement and Power District:

Salt River Project  
Agricultural Improvement and Power District  
P.O. Box 52025  
Phoenix, Arizona 85072-2025  
Attn: General Manager

As to the Salt River Valley Water Users' Association:

Salt River Valley Water Users' Association  
P.O. Box 52025  
Phoenix, Arizona 85072-2025  
Attn: General Manager

As to Roosevelt Water Conservation District:

P.O. Box 100  
Higley, Arizona 85236  
Attn: General Manager

As to the Arizona Water Company:

Arizona Water Company  
P.O. Box 29006  
Phoenix, Arizona 85038-9006  
Attn: President

As to the City of Avondale:

City of Avondale  
11465 W. Civic Center Dr.  
Avondale, AZ 85323  
Attn: Avondale City Manager

As to the City of Chandler:

City of Chandler  
Mail Stop 605  
P.O. Box 4008  
Chandler, Arizona 85244-4008  
Attn: City Manager

As to the City of Glendale:

City of Glendale  
5850 West Glendale Avenue  
Glendale, Arizona 85301  
Attn: City Manager

As to the City of Peoria:

City of Peoria  
8401 West Monroe Street  
Peoria, Arizona 85345  
Attn: City Manager

As to the City of Mesa:

City of Mesa  
20 E. Main, Suite 750  
Mesa, Arizona 85201  
Attn: City Manager

As to the City of Phoenix:

City of Phoenix  
200 West Washington, Suite 1200  
Phoenix, Arizona 85003-1611  
Attn: City Manager

As to the City of Show Low:

City of Show Low  
550 N. 9th Place  
Show Low, Arizona 85901  
Attn: City Manager

As to the City of Scottsdale:

City of Scottsdale  
3939 Drinkwater Blvd.  
Scottsdale, Arizona 85251  
Attn: City Manager

As to the City of Tempe:

City of Tempe  
31 East 5<sup>th</sup> Street  
Tempe, Arizona 85281  
Attn: City Manager

As to the Town of Gilbert:

Town of Gilbert  
50 E Civic Center Drive  
Gilbert, Arizona 85299  
Attn: Town Manager

As to the Buckeye Irrigation Company:

Buckeye Irrigation Company  
P.O. Box 1726  
Buckeye, Arizona 85236  
Attn: General Manager

As to the Buckeye Water Conservation and Drainage District:

Buckeye Water Conservation and Drainage District  
P.O. Box 1726  
Buckeye, Arizona 85236  
Attn: General Manager

As to the CAWCD:

Central Arizona Water Conservation District  
P.O. Box 43020  
Phoenix, Arizona 85080-3020  
Attn: General Manager

or addressed to such other address as the Party to receive such notice shall have designated by written notice given as required by Subparagraph 16.19.

**17.0 EXECUTION BLOCKS**

**IN WITNESS WHEREOF**, the Parties have executed this Agreement dated as of the day and year first above written.

*Dated as of November 1, 2012*

**THE UNITED STATES OF AMERICA**

By: \_\_\_\_\_

Dated: \_\_\_\_\_

Secretary of the Interior

*Dated as of November 1, 2012*

**THE STATE OF ARIZONA**

By: \_\_\_\_\_

Dated: \_\_\_\_\_

Governor

Attest: \_\_\_\_\_

Secretary of State

*Dated as of November 1, 2012*

**WHITE MOUNTAIN APACHE TRIBE**

By: \_\_\_\_\_

Dated: \_\_\_\_\_

Chairman

Attest: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_

Attorney

*Dated as of November 1, 2012*

**SALT RIVER PROJECT AGRICULTURAL  
IMPROVEMENT AND POWER DISTRICT**

By: \_\_\_\_\_

Dated: \_\_\_\_\_

President

Attest and Countersigned: \_\_\_\_\_

Secretary

Approved as to form:

\_\_\_\_\_

Attorney

*Dated as of November 1, 2012*

**SALT RIVER VALLEY WATER USERS' ASSOCIATION**

By: \_\_\_\_\_

Dated: \_\_\_\_\_

President

Attest and Countersigned: \_\_\_\_\_

Secretary

Approved as to form:

\_\_\_\_\_

Attorney

*Dated as of November 1, 2012*

**THE ROOSEVELT WATER CONSERVATION DISTRICT**

By: \_\_\_\_\_

Dated: \_\_\_\_\_

President

Attest: \_\_\_\_\_

Secretary

Approved as to form:

\_\_\_\_\_

General Counsel

*Dated as of November 1, 2012*

**ARIZONA WATER COMPANY**

By: \_\_\_\_\_

Dated: \_\_\_\_\_

President

Attest: \_\_\_\_\_

Secretary

Approved as to form:

\_\_\_\_\_

General Counsel

*Dated as of November 1, 2012*

**CITY OF CHANDLER**

By: \_\_\_\_\_

Dated: \_\_\_\_\_

Mayor

Attest: \_\_\_\_\_

City Clerk

Approved as to form:

\_\_\_\_\_

City Attorney

*Dated as of November 1, 2012*

**CITY OF GLENDALE**

By: \_\_\_\_\_

Dated: \_\_\_\_\_

City Manager

Attest: \_\_\_\_\_

City Clerk

Approved as to form:

\_\_\_\_\_

City Attorney

*Dated as of November 1, 2012*

**CITY OF MESA**

By: \_\_\_\_\_

Dated: \_\_\_\_\_

City Manager

Attest: \_\_\_\_\_

City Clerk

Approved as to form:

\_\_\_\_\_

City Attorney

*Dated as of November 1, 2012*

**CITY OF PEORIA**

By: \_\_\_\_\_

Dated: \_\_\_\_\_

Mayor

Attest: \_\_\_\_\_

City Clerk

Approved as to form:

\_\_\_\_\_

City Attorney

*Dated as of November 1, 2012*

**CITY OF PHOENIX**

By: \_\_\_\_\_

Dated: \_\_\_\_\_

City Manager, City of Phoenix

Attest: \_\_\_\_\_

City Clerk

Approved as to form:

By: \_\_\_\_\_

City Attorney

*Dated as of November 1, 2012*

**CITY OF SHOW LOW**

By: \_\_\_\_\_

Dated: \_\_\_\_\_

Mayor

Attest: \_\_\_\_\_

City Clerk

Approved as to form:

\_\_\_\_\_

City Attorney

*Dated as of November 1, 2012*

**CITY OF SCOTTSDALE**

By: \_\_\_\_\_

Dated: \_\_\_\_\_

Mayor

Attest: \_\_\_\_\_

City Clerk

Approved as to form:

\_\_\_\_\_

City Attorney

*Dated as of November 1, 2012*

**CITY OF TEMPE**

By: \_\_\_\_\_

Dated: \_\_\_\_\_

Mayor

Attest: \_\_\_\_\_

City Clerk

Approved as to form:

\_\_\_\_\_

City Attorney

**CITY OF AVONDALE**

By: \_\_\_\_\_

Dated: \_\_\_\_\_

City Manager

Attest: \_\_\_\_\_

City Clerk

Approved as to form:

\_\_\_\_\_

City Attorney

*Dated as of November 1, 2012*

**TOWN OF GILBERT**

By: \_\_\_\_\_

Dated: \_\_\_\_\_

Town Mayor

Attest: \_\_\_\_\_

Town Clerk

Approved as to form:

\_\_\_\_\_

Town Attorney

*Dated as of November 1, 2012*

**BUCKEYE IRRIGATION COMPANY**

By: \_\_\_\_\_

Dated: \_\_\_\_\_

President

Attest: \_\_\_\_\_

Secretary

Approved as to form:

\_\_\_\_\_

General Counsel

*Dated as of November 1, 2012*

**BUCKEYE WATER CONSERVATION  
AND DRAINAGE DISTRICT**

By: \_\_\_\_\_

Dated: \_\_\_\_\_

President

Attest: \_\_\_\_\_

Secretary

Approved as to form:

\_\_\_\_\_

General Counsel

*Dated as of November 1, 2012*

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**

By: \_\_\_\_\_

Dated: \_\_\_\_\_

President

Attest: \_\_\_\_\_

Secretary

Approved as to form:

\_\_\_\_\_

General Counsel

## **EXHIBIT 10.1.1D**

### **LEASE AGREEMENT FOR CAP WATER AMONG THE CITY OF GLENDALE, THE WHITE MOUNTAIN APACHE TRIBE, AND THE UNITED STATES**

#### 1. PREAMBLE

This agreement providing for the lease of Central Arizona Project water ("Lease Agreement"), made this \_\_\_\_ day of \_\_\_\_\_, 201\_, is among the United States of America (hereinafter "United States"), the White Mountain Apache Tribe (hereinafter "WMAT") and the City of Glendale, Arizona (hereinafter "Glendale").

#### 2. RECITALS

2.1 The Parties to this Lease Agreement are also parties to the Quantification Agreement as defined under Subparagraph 3.31 herein.

2.2 As partial consideration for entering into the Quantification Agreement, the WMAT and Glendale are entering into this Lease Agreement by which the WMAT will lease to Glendale a portion of the WMAT CAP Water in accordance with the WMAT CAP Water Delivery Contract No. 08-XX-30-W0529. The Parties acknowledge that the consideration received by the WMAT in exchange for the Leased Water represents fair market value.

2.3 The White Mountain Apache Tribe Water Rights Quantification Act of 2010, P.L. 111-291, Title III, 124 Stat. 3064, 3073 (2010) ("Act"), a copy of which is attached as Exhibit 2.2 to the Quantification Agreement, confirms the Quantification Agreement and specifically authorizes the WMAT to lease WMAT CAP Water.

2.4 The WMAT CAP Water Delivery Contract, which authorizes the WMAT to enter into this Lease Agreement, is attached to the Quantification Agreement as Exhibit 7.1.

### 3.0 DEFINITIONS

The following terms when capitalized shall have the following meaning:

3.1 “CAP” or “Central Arizona Project” shall mean the reclamation project authorized and constructed by the United States in accordance with Title III of the Colorado River Basin Project Act (43 U.S.C. §§ 1521 et seq.).

3.2 “CAP Contract” shall mean a long-term contract, as that term is used in the CAP Repayment Stipulation, for delivery of CAP Water.

3.3 “CAP Contractor” shall mean an individual or entity that has entered into a long-term contract, as that term is used in the CAP Repayment Stipulation, with the United States for delivery of water through the CAP System.

3.4 “CAP Indian Priority Water” shall mean that CAP Water having an Indian delivery priority under the CAP Repayment Contract.

3.5 “CAP M&I Priority Water” shall mean that CAP Water having a municipal and industrial delivery priority under the CAP Repayment Contract.

3.6 “CAP NIA M&I Equivalent Priority Water” shall mean, through December 31, 2107, that CAP NIA Priority Water firmed with priority equivalent to CAP M&I Priority Water as provided in Subparagraph 7.17 of the Quantification Agreement, and, after December 31, 2107, shall mean CAP NIA Priority Water that is not firmed with priority equivalent to CAP M&I Priority Water unless the United States or the State have agreed to firm CAP NIA Priority

Water with priority equivalent to CAP M&I Priority Water beyond December 31, 2107 as provided in Subparagraph 7.17.3 of the Quantification Agreement.

3.7 “CAP NIA Priority Water” shall mean that water deliverable under a CAP Contract or CAP Subcontract providing for the delivery of non-Indian agricultural priority water.

3.8 “CAP NIA Priority Water Lease Charge” shall be that amount of money paid to the WMAT for CAP NIA Priority Water as calculated pursuant to Subparagraph 4.3.1.2 of this Lease Agreement.

3.9 “CAP NIA Priority Water Lease Rate” is defined in Subparagraph 4.3.1.2 of this Lease Agreement.

3.10 “CAP Repayment Contract” shall mean: (1) the contract between the United States and the Central Arizona Water Conservation District for Delivery of Water and Repayment of Costs of the CAP, numbered 14-06-W-245 (Amendment No. 1), and dated December 1, 1988; and (2) any amendment to, or revision of, that contract.

3.11 “CAP Repayment Stipulation” shall mean the Stipulated Judgment and the Stipulation for Judgment (including any exhibits to those documents) entered on November 21, 2007, in the United States District Court for the District of Arizona in the consolidated civil action styled Central Arizona Water Conservation District v. United States, et al., and numbered CIV 95-625-TUC-WDB (EHC) and CIV 95-1720-PHX-EHC.

3.12 “CAP Service Area” or “District” shall mean the area included within the Central Arizona Water Conservation District, consisting of Maricopa, Pinal and Pima Counties, as well as any other counties, or portions thereof, that may hereafter become part of the District.

3.13 “CAP Subcontract” shall mean a long-term subcontract, as that term is used in the CAP Repayment Stipulation, with the United States and the Central Arizona Water Conservation District for the delivery of water through the CAP System.

3.14 “CAP Subcontractor” shall mean an individual or entity that has entered into a long-term subcontract, as that term is used in the CAP Repayment Stipulation, with the United States and the Central Arizona Water Conservation District for the delivery of water through the CAP System.

3.15 “CAP System” shall mean: (A) the Mark Wilmer Pumping Plant; (B) the Hayden-Rhodes Aqueduct; (C) the Fannin-McFarland Aqueduct; (D) the Tucson Aqueduct; (E) any pumping plant or appurtenant works of a feature described in any of (A) through (D); and (F) any extension of, addition to, or replacement for a feature described in any of (A) through (E).

3.16 “CAP Water” shall mean ‘Project Water’ as that term is defined in the CAP Repayment Stipulation.

3.17 “CAWCD” or “Central Arizona Water Conservation District” shall mean the political subdivision of the State that is the contractor under the CAP Repayment Contract.

3.18 “Cities” shall mean the municipalities of Avondale, Chandler, Gilbert, Glendale, Mesa, Peoria, Phoenix, Scottsdale and Tempe.

3.19 “Glendale” shall mean the City of Glendale, an Arizona Municipal Corporation, its predecessors, successors and assigns.

3.20 “CPI-U” shall mean the All Items Consumer Price Index All Urban Consumers, U.S. City Average (1982-84 = 100), which is published by the U.S. Department of Labor, Bureau of Labor Statistics.

3.21 “Enforceability Date” shall mean the date described in Section 309(d)(1) of the Act.

3.22 “Gila River Adjudication Proceedings” shall mean that action pending in the Superior Court of the State of Arizona in and for the County of Maricopa styled *In Re the General Adjudication of All Rights To Use Water In The Gila River System and Source, W-1 (Salt), W-2 (Verde), W-3 (Upper Gila), W-4 (San Pedro) (Consolidated)*.

3.23 “HVID CAP Water” shall mean that water that was acquired by the Secretary through the permanent relinquishment of the Harquahala Valley Irrigation District CAP Subcontract entitlement in accordance with Contract No. 3-07-30-W0290 among CAWCD, Harquahala Valley Irrigation District and the United States, and converted to CAP Indian Priority Water pursuant to the Fort McDowell Indian Community Water Rights Settlement Act of 1990, P.L. 101-628 Title IV, 104 Stat. 4468, 4480.

3.24 “HVID CAP Water and CAP NIA M&I Equivalent Priority Water Lease Charge” shall be that amount of money paid to the WMAT for HVID CAP Water and CAP NIA M&I Equivalent Priority Water as calculated pursuant to Subparagraph 4.3.1.1 of this Lease Agreement.

3.25 “HVID CAP Water and CAP NIA M&I Equivalent Priority Water Lease Rate” is defined in Subparagraph 4.3.1.1 of this Lease Agreement.

3.26 “Leased Water” shall mean that portion of the WMAT CAP Water that is leased by the WMAT to Glendale pursuant to this Lease Agreement.

3.27 “OM&R” shall mean the care, operation, maintenance, and replacement of the CAP System or any part thereof.

3.28 “Operating Agency” shall mean the entity or entities authorized to assume responsibility for the care, operation, maintenance, and replacement of the CAP System. CAWCD is the Operating Agency at the time of execution of this Lease Agreement.

3.29 “Other Cities” shall mean the municipalities of Avondale, Chandler, Gilbert, Mesa, Peoria, Phoenix, Scottsdale and Tempe.

3.30 “Party” shall mean an entity represented by a signatory to this Lease Agreement. “Parties” shall mean more than one of these entities.

3.31 “Quantification Agreement” shall mean: (1) the Amended and Restated White Mountain Apache Tribe Water Rights Quantification Agreement dated as of November 1, 2012; and (2) any amendment or exhibit (including exhibit amendments) to that Agreement that are (i) made in accordance with the Act, or (ii) otherwise approved by the Secretary. This Lease Agreement constitutes Exhibit 10.1.1D to the Quantification Agreement.

3.32 “Secretary” shall mean the Secretary of the United States Department of the Interior.

3.33 “Subparagraph” shall mean a numbered subparagraph of this Lease Agreement.

3.34 “Total Water Lease Charge” shall mean the sum of the HVID CAP Water and CAP NIA M&I Equivalent Priority Water Lease Charge and the CAP NIA Priority Water Lease

Charge.

3.35 “United States” or “United States of America” in any given reference herein shall mean the United States acting in the capacity as set forth in said reference. When the term “United States” or “United States of America” is used in reference to a particular agreement or contract, the term shall mean the United States acting in the capacity as set forth in such agreement or contract.

3.36 “White Mountain Apache Tribe” or “the WMAT” shall mean the White Mountain Apache Tribe, organized under Section 16 of the Act of June 18, 1934, 48 Stat. 984 (commonly known as the “Indian Reorganization Act”) (25 U.S.C. § 476).

3.37 “WMAT CAP Water” shall mean CAP Water to which the WMAT is entitled pursuant to the WMAT CAP Water Delivery Contract.

3.38 “WMAT CAP Water Delivery Contract” shall mean: (A) Contract No. 08-XX-30-W0529 between the WMAT and the United States dated \_\_\_\_\_, a copy of which is attached to the Quantification Agreement as Exhibit 7.1; and (B) any amendment to that contract.

3.39 “WMAT Reservation” or “Reservation” shall mean the land located within the exterior boundaries of the White Mountain Indian Reservation established by Executive Order dated November 9, 1871, as modified by subsequent Executive Orders and Acts of Congress: (1) known on December 8, 2010, the date of enactment of the Act, as the “Fort Apache Reservation” pursuant to chapter 3 of the Act of June 7, 1897 (30 Stat. 62); and (2) generally depicted on the map attached as Exhibit 2.81 to the Quantification Agreement. The depiction of

the Reservation on the map attached as Exhibit 2.81 to the Quantification Agreement shall not: (1) be used to affect any dispute between the WMAT and the United States concerning the legal boundary of the Reservation; or (2) constitute an admission by the WMAT with regard to any dispute between the WMAT and the United States concerning the legal boundary of the Reservation.

3.40 "Year" shall mean a calendar year. When not capitalized, the term "year" shall have the meaning in the Paragraph or Subparagraph in which the term is used.

NOW, THEREFORE, in consideration of the mutual covenants contained in this and other pertinent agreements, it is agreed as follows:

#### 4.0 LEASE OF WATER

4.1 Subject of Lease. The WMAT hereby leases to Glendale (1) Ninety-One (91) acre-feet per year of its HVID CAP Water and (2) Five Hundred Fifty Eight (558) acre-feet per year of its CAP NIA M&I Equivalent Priority Water and (3) One Thousand Seven Hundred Fourteen (1,714) acre-feet per year of its CAP NIA Priority Water that is not firmed under Section 7.17 of the Quantification Agreement. The Leased Water is subject to the terms and conditions of the WMAT CAP Water Delivery Contract except as agreed to herein. Glendale shall not be subject to amendments to the WMAT CAP Delivery Contract subsequent to the execution of this Lease Agreement that adversely affect this Lease Agreement unless Glendale agrees to such amended terms in writing.

4.2 Term of Lease Agreement. The term of this Lease Agreement shall begin thirty (30) days after the Enforceability Date and end one hundred (100) years thereafter. At the WMAT's sole

discretion and with the approval of the Secretary, the WMAT may enter into a separate lease agreement with Glendale for WMAT CAP Water upon such terms and conditions as may be negotiated at that time either during the term of this Lease Agreement or thereafter, provided however, that the term of any such separate lease shall not exceed one hundred (100) years.

4.3 Glendale's Consideration During Initial Term of Lease Agreement.

4.3.1 Total Water Lease Charge. In consideration for the Leased Water during the term of the Lease Agreement, Glendale shall pay to the WMAT a one-time Total Water Lease Charge which is equal to the sum of the HVID CAP and CAP NIA M&I Equivalent Priority Water Lease Charge and the CAP NIA Priority Water Lease Charge as hereafter determined under Subparagraphs 4.3.1.1 and 4.3.1.2 respectively:

4.3.1.1 HVID CAP and CAP NIA M&I Equivalent Priority Water Lease Charge. The HVID CAP and CAP NIA M&I Equivalent Priority Water Lease Charge shall be the amount of money paid to WMAT by Glendale under this Lease Agreement for HVID CAP Water and CAP NIA M&I Equivalent Priority Water. The HVID CAP and CAP NIA M&I Equivalent Priority Water Lease Charge shall be determined by dividing the CPI-U most recently published and available prior to the Enforceability Date by the CPI-U as published for the month of October, 2008 to determine the ratio (hereafter "ratio"), then multiplying the ratio as determined above by the HVID CAP Water and CAP NIA M&I Equivalent Priority Water base payment of Two Thousand Five Hundred Fifty Dollars (\$2,550) to determine the HVID CAP and CAP NIA M&I Equivalent Priority Water Lease Rate, and then multiplying the HVID CAP and CAP NIA M&I Equivalent Priority Water Lease Rate, as determined above, by Six Hundred Forty-Nine (649) acre-feet ("AF")

to determine the HVID CAP and CAP NIA M&I Equivalent Priority Water Lease Charge.

4.3.1.2 CAP NIA Priority Water Lease Charge. The CAP NIA Priority Water Lease Charge shall be the amount of money paid to WMAT by Glendale under this Lease Agreement for CAP NIA Priority Water that is not firmed under Section 7.17 of the Quantification Agreement. The CAP NIA Priority Water Lease Charge shall be determined by multiplying the ratio by the CAP NIA Priority Water base payment of Two Thousand Seventy Four Dollars (\$2,074) to determine the CAP NIA Priority Water Lease Rate, and then multiplying the CAP NIA Priority Water Lease Rate, as determined above, by One Thousand Seven Hundred Fourteen (1,714) AF to determine the CAP NIA Priority Water Lease Charge.

4.3.1.3. An example showing the manner in which the calculation required by this Subparagraph 4.3.1 shall be made, is as follows:

Assuming, solely for purposes of this example, that: (1) the amount of HVID CAP Water and CAP NIA M&I Equivalent Priority Water leased is 1,000 AF per year; (2) the amount of CAP NIA Priority Water leased that is not firmed under Section 7.17 of the Quantification Agreement is 1,000 AF per year; (3) the most recently published CPI-U available prior to the Enforceability Date is 240.69; (4) the CPI-U for October 1, 2008 is 211.69; and (5) the HVID CAP Water and CAP NIA M&I Equivalent Priority Water base payment is \$2,550.00; and the CAP NIA Priority Water base payment is \$2,074.00.

*Calculation (all numbers rounded to the nearest hundredth):*

Most recently published CPI-U available prior to Enforceability Date	240.69
CPI-U as of October 2008	211.69

Ratio equals (240.69 divided by 211.69)	1.14
Base payment for HVID CAP Water and CAP NIA M&I Equivalent Priority Water	\$2,550.00
HVID CAP and CAP NIA M&I Equivalent Priority Water Lease Rate (1.14 x \$2,550.00)	\$2,907.00
HVID CAP and CAP NIA M&I Equivalent Priority Water Lease Charge (\$2,907.00 x 1,000 AF)	\$2,907,000.00
Base payment for CAP NIA Priority Water (non-firmed)	\$2,074.00
CAP NIA Priority Water Lease Rate (1.14 x \$2,074.00)	\$2,364.36
CAP NIA Priority Water Lease Charge (\$2,364.36 x 1,000 AF)	\$2,364,360.00
Total Water Lease Charge (\$2,907,000.00 + \$2,364,360.00) =	\$5,271,360.00

In the event the CPI-U is discontinued or not otherwise available as of the month in which the term begins, the Parties shall select a comparable index.

4.3.2 Glendale may, at its election, pay the Total Water Lease Charge in full (without interest) within thirty (30) days after the date that the term begins. In lieu of making such payment, Glendale may elect to make payment as follows:

4.3.2.1 An initial payment of one-half (1/2) of the Total Water Lease Charge (as determined pursuant to Subparagraph 4.3.1) within thirty (30) days after the date that the term begins, with the remaining balance to be paid in four (4) annual payments, payable on the next four (4) anniversary dates of the date that the term begins. Each such payment shall be one-eighth (1/8) of the Total Water Lease Charge plus interest on the unpaid balance at an annual rate determined as follows: one percent (1%) over the net interest rate paid by the City of Phoenix on its most recently issued Water System Improvement Junior Lien Revenue Bonds, as of the Enforceability Date.

Interest accrued shall not be added to principal and shall not itself bear interest unless delinquent. An example showing the manner in which the payment contemplated by this Subparagraph 4.3.2.1 shall be made is as follows:

Assume, solely for purposes of this example, that the Total Water Lease Charge is \$1,000,000 and the net interest rate paid by the City of Phoenix on its most recently issued Water System Improvement Junior Lien Revenue Bonds, as of the Enforceability Date is five percent (5%). Under this example, the applicable resulting interest rate would be six percent (6%) [ $5\% + 1\% = 6\%$ ] and payments including interest under this Subparagraph 4.3.2.1 would be calculated as follows: Glendale would make an initial payment of \$500,000. The first annual installment would be in the principal amount of [ $\$1,000,000 \times 1/8 = \$125,000$ ] plus interest on the unpaid balance of [ $\$1,000,000 - \$500,000 = \$500,000$ ] in the amount of [ $\$500,000 \times .06 = \$30,000$ ], for a total payment of [ $\$125,000 + \$30,000 = \$155,000$ ]. The second annual installment would be in the principal amount of \$125,000 plus interest on the unpaid balance of [ $\$1,000,000 - \$625,000 = \$375,000$ ] in the amount of [ $\$375,000 \times .06 = \$22,500$ ], for a total payment of [ $\$125,000 + \$22,500 = \$147,500$ ]. The third annual installment would be in the principal amount of \$125,000 plus interest on the unpaid balance of [ $\$1,000,000 - \$750,000 = \$250,000$ ] in the amount of [ $\$250,000 \times .06 = \$15,000$ ], for a total payment of [ $\$125,000 + \$15,000 = \$140,000$ ]. The fourth and final annual installment would be in the principal amount of \$125,000 plus

interest on the unpaid balance of [ $\$1,000,000 - \$875,000 = \$125,000$ ] in the amount of [ $\$125,000 \times .06 = \$7,500$ ], for a total payment of [ $\$125,000 + 7,500 = \$132,500$ ].

4.3.3 Under the payment option set forth in Subparagraph 4.3.2.1 without any prepayment penalty, Glendale may, at any time, elect to pay the remaining balance in full together with interest on the unpaid balance to the date of such payment.

4.4 CAP Fixed OM&R Charges and CAP Pumping Energy Charges. Glendale shall pay all CAP Fixed OM&R Charges and CAP Pumping Energy Charges for the delivery of the Leased Water to the Operating Agency as mandated by Section 306 (a) (1) (A) (iii) of the Act and upon the same terms and conditions as are mandated by article 5.1 of Glendale's CAP M&I Water Service Subcontract No. 07-XX-30-W0493, as amended, ("Glendale's CAP M&I Water Service Subcontract") except that Glendale's obligation to pay such CAP Fixed OM&R Charges and CAP Pumping Energy Charges shall not begin earlier than the date that Glendale is entitled to receive water under this Lease Agreement, but in no event unless and until the water is scheduled for delivery by Glendale. CAP Fixed OM&R Charges and CAP Pumping Energy Charges are described as "OM&R Costs" in article 5.1 of Glendale's CAP M&I Water Service Subcontract. Prior to the date that the term of this Lease Agreement (as described in Subparagraph 4.2) begins, the WMAT may use the WMAT CAP Water in accordance with the WMAT CAP Water Delivery Contract.

4.5 Other Charges or Payments. Pursuant to Sections 306 (a)(8) and 306(e) of the Act, neither the WMAT nor Glendale shall be obligated to pay water service capital charges or any other

charges, payments, or fees for the Leased Water other than as provided in Subparagraphs 4.3, 4.4, and 4.12, and Paragraph 6.0 of this Lease Agreement.

4.6 Delivery of Water. The United States or the Operating Agency shall deliver the WMAT's Leased Water to Glendale through the CAP System as further provided herein; however, neither the United States nor the Operating Agency shall be obligated to make such deliveries if, in the judgment of the Operating Agency or the Secretary, delivery or schedule of deliveries to Glendale would limit deliveries of CAP water to any CAP Contractor, including the WMAT, or CAP Subcontractor to a degree greater than would direct deliveries to the WMAT at the CAP/SRP Interconnection Facility that connects the Hayden-Rhodes Aqueduct of the CAP System to SRP's water delivery system. The United States or the Operating Agency shall deliver the Leased Water to Glendale in accordance with water delivery schedules provided by Glendale to the United States and the Operating Agency, and the Operating Agency shall inform the WMAT of the amount of Leased Water delivered in the previous year. The water ordering procedures contained in article 4.4 of Glendale's CAP M&I Water Service Subcontract (or any replacement subcontracts) shall apply to Glendale's ordering of water under this Lease Agreement. In no event shall the United States or the Operating Agency be required to deliver to Glendale under this Lease Agreement, in any one month, a total amount of Leased Water greater than eleven percent (11%) of Glendale's annual maximum entitlement under this Lease Agreement; provided, however, that the United States or the Operating Agency may deliver a greater percentage in any month if such increased delivery is compatible with the overall delivery of CAP water to other CAP Contractors and CAP Subcontractors, as determined by the

United States and the Operating Agency if Glendale agrees to accept such increased deliveries.

4.6.1 Delivery of Water During Times of Shortages. If a time of shortage exists, as described at Subparagraphs 7.16.1 and 7.16.2 of the Quantification Agreement (1) the amount of Leased Water that is HVID CAP Water shall be reduced by the same percentage by which water available for delivery as CAP Indian Priority Water is reduced in that Year as provided in subsection 5.8 of the WMAT CAP Water Delivery Contract , Section 4 of Amendment No. 2 of the CAP Repayment Contract dated November 30, 2007 and as further provided in Subparagraph 7.16.2 of the Quantification Agreement; (2) the amount of Leased Water that is CAP NIA M&I Equivalent Priority Water available to Glendale under this Lease Agreement, if required to be firmed under the Quantification Agreement or other future agreement, shall be reduced by the same percentage by which water available for delivery as CAP M&I Priority Water is reduced in that Year in accordance with Subparagraph 7.17 of the Quantification Agreement and as provided in Section 4 of Amendment No. 2 of the CAP Repayment Contract dated November 30, 2007, and as provided in subsection 5.8 of the WMAT CAP Water Delivery Contract, and if not required to be firmed under the Quantification Agreement or other future agreement, shall be reduced as provided in (3) herein; and (3) the amount of Leased Water that is CAP NIA Priority Water that is not firmed under Subparagraph 7.17 of the Quantification Agreement available to Glendale under this Lease Agreement shall be reduced by the same percentage by which water available for delivery as CAP NIA Priority Water is reduced in that year in accordance with Subparagraph 7.16.1 of the Quantification Agreement and as provided in subsection 5.8 of the WMAT CAP Water Delivery Contract. Subject to Subparagraph 4.12, any shortage of HVID

CAP Water leased from the WMAT and CAP NIA M&I Equivalent Priority Water leased from the WMAT shall be shared among the Leasing Cities (as that term is defined in Subparagraph 2.48 of the Quantification Agreement) according to the actual percentages leased, which initially are: Avondale, 2.77%; Chandler, 14.47%; Gilbert, 13.31%; Glendale, 7.44%; Mesa, 9.93%; Peoria, 4.06%; Phoenix, 40.21%; Tempe, 7.81%. Subject to Subparagraph 4.12, any shortage of CAP NIA Priority Water leased from WMAT that is not firmed under Section 7.17 of the Quantification Agreement shall be shared among the Leasing Cities (as that term is defined in Subparagraph 2.48 of the Quantification Agreement), CAWCD and any other entity leasing CAP NIA Priority Water from the WMAT according to the actual percentages leased, which initially are: Avondale, 3.93%; Chandler, 20.49%; Gilbert, 18.83%; Glendale, 10.53%; Mesa, 14.07%; Peoria, 5.74%; Tempe, 11.06%; and CAWCD, 15.35%. Notwithstanding anything to the contrary in this Subparagraph 4.6.1, the United States' and the State of Arizona's obligation to provide water to firm any deliveries of WMAT CAP NIA Priority Water under this Lease Agreement does not extend beyond December 31, 2107; provided, however, that neither the United States nor the State of Arizona is prohibited by this Subparagraph 4.6.1 from providing water to firm any deliveries of WMAT CAP NIA Priority Water beyond December 31, 2107, if, subject to the enactment of any necessary additional authorizing legislation, either agrees to do so in any future agreements.

4.7 Use of Leased Water Outside Reservation. Glendale may use or deliver Leased Water for use outside the boundaries of the Reservation, but may not use, lease, transfer the use of, or otherwise cause the Leased Water to be delivered for use outside of the boundaries of the CAP

Service Area, except for use within Glendale's water service area when Glendale's water service area extends beyond the CAP Service Area.

4.8 Conditions Relating to Delivery and Use. Glendale shall have the right to use Leased Water for any purpose that is consistent with Arizona law and not expressly prohibited by this Lease Agreement, including exchanges of the Leased Water for other types of water, and groundwater recharge as that term is defined in the CAP Repayment Contract. Except to the extent that this Lease Agreement conflicts with the terms of Glendale's CAP M&I Water Service Subcontract, deliveries of Leased Water to Glendale and its use by Glendale shall be subject to the Conditions Relating to Delivery and Use in article 4.3 of Glendale's CAP M&I Water Service Subcontract. During the term of this Lease Agreement, the following subarticles or articles of Glendale's CAP M&I Water Service Subcontract shall apply to Glendale and to Glendale's use of water under this Lease Agreement: subarticles 4.5(c), 4.5(d), and 5.2(d); articles 4.6, 4.9, 5.3, 5.4, 5.5, 6.4, 6.6, 6.9, 6.10, 6.11, and 6.13. Glendale expressly approves and agrees to all the terms presently set out in the CAP Repayment Contract, or as such terms may be hereafter amended, and agrees to be bound by the actions to be taken and the determinations to be made under that CAP Repayment Contract, to the extent not inconsistent with the express provisions of this Lease Agreement.

4.9 Quality of Water. The OM&R of the CAP System shall be performed in such manner as is practicable to maintain the quality of water made available through such facilities at the highest level reasonably attainable as determined by the Secretary. The United States, the WMAT, and the Operating Agency make no warranty as to the quality of water and are under no

obligation to construct or furnish water treatment facilities to maintain or better the quality of water. Glendale waives its right to make a claim against the United States, the Operating Agency, the WMAT, other lessee(s), or CAP Subcontractor(s) because of changes in water quality caused by the commingling of Leased Water with other water.

4.10 Points of Delivery. The Leased Water to be delivered to Glendale pursuant to the provisions of this Lease Agreement shall be delivered at turnouts on the CAP System or such other points that may be agreed upon by Glendale, the United States and the Operating Agency.

4.11 WMAT's Covenants. The WMAT agrees:

(A) To observe and perform all obligations imposed on the WMAT by the WMAT CAP Water Delivery Contract which are not assumed by Glendale so that Glendale's rights and duties are not in any way impaired;

(B) Not to execute any other lease of the WMAT Water, that would impair Glendale's rights and duties hereunder;

(C) Not to alter or modify the terms of the WMAT CAP Water Delivery Contract in such a way as to impair Glendale's rights hereunder or exercise any right or action permitted by the WMAT CAP Water Delivery Contract so as to interfere with or change the rights and obligations of Glendale hereunder; and

(D) Not to terminate or cancel the WMAT CAP Water Delivery Contract or transfer, convey or permit a transfer or conveyance of such contract so as to cause a termination of, interference with, or modification of the rights and obligations of the WMAT under it.

4.12 Assignment of Interest in Leased Water.

(A) General. Glendale may not transfer, assign, sublease or otherwise designate or authorize for the use of others all or any part of the Leased Water without the written approval of the WMAT and the Secretary.

(B) Assignment to the Cities and CAWCD. Notwithstanding the prohibition of Subparagraph 4.12(A) above, approval is hereby granted by the Secretary and the WMAT to Glendale, if Glendale is not in default of its payment obligations to the WMAT, to assign all or any part of its interest in Leased Water under this Lease Agreement to one or more of the Other Cities, or to CAWCD, as provided in this Subparagraph, or to their successor(s) in interest within the boundaries of their existing or future service areas. Before assigning any part of its interest in Leased Water under this Lease Agreement, Glendale shall offer such interest to all the Other Cities in equal shares. In the event that any of the Other Cities elects not to take its share of Glendale's assignment, the water shall then be offered to all of the remaining Other Cities in equal shares until the full amount of the water is so assigned. If CAP NIA M&I Equivalent Priority Water or HVID CAP Water leased from the WMAT and available for assignment is declined by all of the Other Cities, such interest may be assigned to CAWCD. If CAP NIA Priority Water that is not firmed under Section 7.17 of the Quantification Agreement is being made available for assignment, then CAWCD may participate in equal shares with the Other Cities. Such assignment shall be effective only upon the execution by the assignor and the assignee of a Voluntary Assignment and Assumption Agreement, the form of which is attached to this Lease Agreement as Exhibit 4.12 (Exhibit 10.1.1.1A of the Quantification Agreement). A copy of such Voluntary Assignment and

Assumption Agreement shall be provided to the Operating Agency, the WMAT and the United States.

(C) Recovery of Costs Allowed. Glendale shall not assign all or any part of its interest in Leased Water hereunder for an amount in excess of that portion of the Total Water Lease Charge that is attributable to the portion of the Leased Water that is assigned. Nothing in this Lease Agreement shall affect Glendale's ability to recover actual future costs, if any, incurred by Glendale for the transportation, treatment, and distribution of the assigned Leased Water.

4.13 Allocation and Repayment of CAP Costs. Pursuant to Section 305(d) of the Act, for the purposes of determining the allocation and repayment of costs of any stage of the CAP constructed after November 21, 2007, the costs associated with the delivery of Leased Water shall be nonreimbursable and shall be excluded from the repayment obligation of CAWCD. Pursuant to Section 306(a)(8) of the Act, no CAP water service capital charges shall be due or payable for the Leased Water.

5. [Intentionally not used].

6. DEFAULT AND REMEDIES

6.1 Events of Default. Any failure by Glendale to pay the consideration specified in Subparagraph 4.3 for the Leased Water within thirty (30) days after any such payments become due shall constitute a default of Glendale's obligations under this Lease Agreement.

6.2 Notice of Default. In the event of a default by Glendale as defined in Subparagraph 6.1 above, the WMAT shall provide written notice ("Notice of Default") to Glendale and contemporaneously, shall send copies of such notice to the Other Cities and CAWCD specifying the

default and demanding that the default be cured within ninety (90) days of the notice. Notice shall be given in the manner and to the Glendale officers specified in Subparagraph 8.10 of this Lease Agreement. The Notice of Default shall specifically describe the default and state the amount due from Glendale, which amount shall be the sum of all payments due the WMAT that should have been paid, but were not paid (“Default Amount”). The purpose of this Subparagraph is to put Glendale, the Other Cities and CAWCD on notice as to the time and cause of default. De minimis mistakes in the Notice of Default shall not invalidate the effectiveness of the Notice of Default.

6.3 Remedies for Failure to Pay. If Glendale fails to cure a non-payment default in accordance with Subparagraph 6.4(A), and if none of the Other Cities or CAWCD cures the non-payment default pursuant to Subparagraph 6.4(B), the WMAT may terminate this Lease Agreement. If the WMAT terminates this Lease Agreement for non-payment of the Total Water Lease Charge required by Subparagraph 4.3, the WMAT shall be entitled to judgment as provided at Subparagraph 6.4(D), but shall not be entitled to any other remedy as a result of such a default.

6.4 Curing for Glendale’s Non-payment. After Notice of Default, the default may be cured as follows:

(A) First Grace Period. During the first thirty (30) days following the Notice of Default (“First Grace Period”), Glendale shall have the exclusive right to cure any such default by tendering the Default Amount to the WMAT together with interest on the Default Amount accrued at the annual rate of ten percent (10%) calculated from the date that the missed payment became due (“Due Date”). During the first fifteen (15) days following the Notice of Default, Glendale shall provide written notice to the Other Cities and CAWCD declaring its intent whether it will cure the

default, provided that all payments becoming due during the First Grace Period shall be automatically added to and become a part of the Default Amount and interest thereupon shall accrue in accordance with this provision.

(B) Second Grace Period. In the event that Glendale has not cured the default within thirty (30) days following the Notice of Default, Glendale, any of the Other Cities, CAWCD (for CAP NIA Priority Water that is not firmed under Section 7.17 of the Quantification Agreement only) and/or any combination thereof, may thereafter, but only within sixty (60) days following the end of the First Grace Period (“Second Grace Period”), cure the default by tendering the Default Amount to the WMAT together with interest on the Default Amount accrued at the annual rate of ten percent (10%) calculated from the Due Date. Each of the Other Cities and CAWCD (for CAP NIA Priority Water that is not firmed under Section 7.17 of the Quantification Agreement only) that desires to succeed to the interest of Glendale shall, within sixty (60) days of the Notice of Default, give notice to the Other Cities, CAWCD (for CAP NIA Priority Water that is not firmed under Section 7.17 of the Quantification Agreement only) and Glendale that it will be a curing entity and declare the maximum amount of water that it will lease and succeed to the interest of Glendale.

(C) Third Grace Period. If the Other Cities do not cure Glendale’s default for CAP NIA M&I Equivalent Priority Water or HVID CAP Water by the end of the Second Grace Period, then CAWCD may then cure the default by tendering any remaining portion of the Default Amount within fifteen (15) days after the end of the Second Grace Period (“Third Grace Period”).

Each curing entity shall succeed to the interest and obligation of Glendale to the extent of its contribution, and Glendale and each curing entity shall execute an Assignment and Assumption

Agreement in the form attached hereto as Exhibit 6.4 (Exhibit 10.1.1.1B of the Quantification Agreement) whereby the curing entity or entities agree to be bound by the terms of this Lease Agreement to the extent of its/their contribution. Glendale shall be responsible for any proportionate remainder of any Default amount not cured by the Other Cities or CAWCD pursuant to Subparagraphs 6.4(B) and (C). A copy of such Assignment and Assumption Agreement(s) shall be provided by the curing entity to the Operating Agency, the WMAT and the United States. The WMAT shall accept payment from such curing entity or entities in lieu of payment by Glendale. If the curing entities collectively request more water than what is available for assignment and assumption under this Subparagraph, such curing entities shall succeed to the interest of Glendale in equal shares (“Equal Share Amount”); provided, however, if any of the curing entities requests less water than its Equal Share Amount, then the difference between that curing entity’s Equal Share Amount and the amount it requested shall be divided among the other curing entities in equal shares.

If Glendale fails to cure its default within the time-period set forth in Subparagraphs 6.4(B) and (C) it shall execute an Assignment and Assumption Agreement, the form of which is attached hereto as Exhibit 6.4 with each curing entity; provided, however, that if the default is not fully cured by the end of the Third Grace Period, Glendale’s right to Leased Water that has not been assigned pursuant to Subparagraphs 6.4(B) and (C) shall be forfeited back to the WMAT and the WMAT shall be entitled to the remedy described in Subparagraph 6.4(D) of this Lease Agreement *pro rata* for that portion that has not been cured as provided for herein. If Glendale, or Glendale and any combination of the Other Cities, and CAWCD have arranged to cure the default and the curing

entities have signed all necessary Assignment and Assumption Agreements, but Glendale has either failed or refused to sign such agreement(s) before the end of the Third Grace Period, the Assignment and Assumption Agreements(s) shall be self-executing without the need for Glendale to sign an Assignment and Assumption Agreement, the form of which is attached hereto as Exhibit 6.4. A cure effected pursuant to this Subparagraph shall constitute full performance of such default payment obligation to the extent of the amount of Leased Water assigned and assumed.

(D) Default Amount. After Notice of Default and after failure to cure as provided for in Subparagraphs 6.4(A), (B) and (C) hereof, Glendale will be indebted to the WMAT and the WMAT will be entitled to judgment for the Default Amount plus an amount equal to three percent (3%) of the balance of the Total Water Lease Charge not yet due and payable, together with interest on the three percent (3%) of the balance of the Total Water Lease Charge not yet due and payable, from the time of default until judgment is obtained, and such costs and reasonable attorneys fees as the WMAT incurs after the due date for obtaining and collecting judgment for the unpaid amounts as a result of such default. The balance of such amount shall continue to accrue interest at the rate of ten percent (10%) per annum until paid in full. Payment of this amount plus such accrued interest as provided in this Subparagraph shall constitute full performance of Glendale's obligations under Subparagraph 4.3 of this Lease Agreement.

## 7.0 TERMINATION AND SURRENDER OF WATER

7.1 Voluntary Termination of this Lease. After offering to assign the Leased Water in accordance with Subparagraph 4.12, Glendale may terminate this Lease Agreement at any time by submitting written notice to the WMAT of its decision to terminate at least one year prior to

the date that it intends the Lease Agreement to be terminated, provided, however, Glendale must receive the written approval of the WMAT before it may terminate this Lease Agreement pursuant to this Subparagraph 7.1 unless Glendale has paid the WMAT at least one-fourth of the Total Water Lease Charge (plus any interest due) set forth in Subparagraph 4.3 of this Lease Agreement. Such notice is irrevocable except upon the WMAT's agreement that Glendale may withdraw its notice. Glendale shall continue to make all payments required by this Lease Agreement during that one-year period and shall not use any Leased Water beyond the day for which the last payment is intended to pay. If Glendale terminates this Lease Agreement, all sums paid by Glendale to the WMAT prior to the date of termination shall remain the property of the WMAT and shall be non-refundable to Glendale.

7.2 Voluntary Surrender of a Portion of the Leased Water. After offering to transfer, assign or sublease the Leased Water in accordance with Subparagraph 4.12, Glendale may elect, at any time during the term of this Lease Agreement to surrender its interest in any portion of the Leased Water by providing written notice to the WMAT of its decision to surrender such interest at least one year prior to the time that it intends to surrender its interest. However, Glendale must receive the written approval of the WMAT before it may surrender any portion of its interest under this Lease Agreement pursuant to this Subparagraph 7.2 unless Glendale has paid the WMAT at least one-fourth of the Total Water Lease Charge set forth in Subparagraph 4.3 of this Lease Agreement. Such notice is irrevocable except upon the WMAT's agreement that Glendale may withdraw its notification. Glendale shall continue to make all payments required of this Lease Agreement during that one year period of time and shall not use any Leased Water

that will be surrendered pursuant to this Subparagraph 7.2 beyond the day for which the last payment is intended to pay. If Glendale surrenders its interest in all or any portion of the Leased Water, all sums paid by Glendale to the WMAT for such water prior to the date of surrender shall remain the property of the WMAT and shall be non-refundable to Glendale. All portions of the Lease Agreement shall remain in effect for all the portions of the Leased Water that are not surrendered. To the extent that the retained portion of the Leased Water has not already been paid for by Glendale, payment shall be in proportion to the amount of water retained by Glendale, charged at the per acre-foot charge, including applicable interest, for Leased Water as calculated pursuant to Subparagraph 4.3 of this Lease Agreement for the years remaining on the term of this Lease Agreement. At the time of the surrender of Leased Water pursuant to this Subparagraph 7.2, Glendale shall pay to the WMAT an amount equal to three percent (3%) of the principal payment for the portion of the Leased Water surrendered.

## 8. GENERAL PROVISIONS

8.1 United States Consent to Lease Agreement. The United States hereby approves and consents to this Lease Agreement.

8.2 Lease Agreement Renegotiation. The Parties to this Lease Agreement agree that the WMAT and Glendale may renegotiate this Lease Agreement at any time during its term, as provided in and subject to the provisions of Subparagraph 7.4 of the Quantification Agreement.

8.3 Lease Agreement Extension. If the ADWR has adopted a final rule or substantive policy statement that enables the Lease Water to be counted as part of Glendale's Assured Water Supply if the term of this Lease is extended, the WMAT agrees to meet with Glendale and discuss

the extension of the term of the Lease Agreement within the time-frame required by the applicable ADWR rule or substantive policy statement.

8.4 Effective Date. This Lease Agreement shall become effective upon the occurrence of the last of the following events: (1) a date thirty (30) days after the Enforceability Date; or (2) the execution of this Lease Agreement by all Parties.

8.5 Rejection of Lease Agreement. Thirty (30) days after the Enforceability Date Glendale at its option may, upon written notice to the WMAT, reject this Lease Agreement. In the event Glendale rejects this Lease Agreement pursuant to this Subparagraph 8.5, Glendale shall have no obligations under this Lease Agreement and Glendale's entitlement shall be offered to the Other Cities and CAWCD as provided in Subparagraph 4.12(B) until that water is fully leased, provided, however, the assignment of the entitlement as provided in Subparagraph 4.12(B) must be completed no later than ninety (90) days after the date of the Rejection Notice. If the assignment of the entitlement to Leased Water is not completed within ninety (90) days after the date of the Rejection Notice, the Leased Water entitlement shall revert back to the WMAT for disposition by the WMAT at its sole discretion, including leasing the water entitlement to any person or entity within the CAP Service Area.

8.6 Enforceability of Lease Agreement. Upon the occurrence of the events listed in Subparagraph 8.4, this Lease Agreement shall be enforceable between the WMAT and Glendale notwithstanding the performance or non-performance of other provisions of the Quantification Agreement not related to this Lease Agreement. The provisions of the Quantification Agreement that relate to this Lease Agreement include, without limitation, Paragraphs 7.0 and 10.0.

8.7 Invalidity of Lease Agreement. If, as a result of any acts or omissions by a person or entity not a Party to this Lease Agreement, Glendale's entitlement to Leased Water under this Lease Agreement is determined to be invalid by a final judgment entered over the opposition of Glendale with the result that the Lease Agreement is deemed null and void, the WMAT shall refund to Glendale that portion of the lease payment that the number of years remaining in the lease term at the time of such determination bears to the total lease term. In the event this Lease Agreement becomes null and void as contemplated by this Subparagraph 8.7, Glendale's entitlement shall be offered to the Other Cities and CAWCD as provided in Subparagraph 4.12(B) until that water is fully leased, provided, however the assignment of the entitlement as provided in Subparagraph 4.12(B) must be completed no later than ninety (90) days after the WMAT serves written notice that this Lease Agreement by a final judgment has been deemed to be null and void; and further provided, that the Other Cities or CAWCD, as the case may be, accepting the assignment must pay to the WMAT an amount equal to the amount of money refunded by WMAT to Glendale. If the assignment to the Other Cities or CAWCD and payment to the WMAT for the assigned entitlement to Leased Water is not completed within ninety (90) days after the WMAT serves written notice that this Lease Agreement by a final judgment has been deemed null and void, the Leased Water entitlement shall revert back to the WMAT for disposition by the WMAT at its sole discretion, subject to the requirements of the Act and the Quantification Agreement, including leasing the water entitlement in accordance with the provisions of Paragraph 9.0 of the Quantification Agreement.

8.8 Approval, Consent and Ratification. Each Party to this Lease Agreement does by execution of the signature pages hereto, approve, endorse, consent to and ratify this Lease

Agreement.

8.9 Counterparts. This Lease Agreement may be executed in multiple counterparts, each of which shall be considered an original and all of which, taken together, shall constitute one agreement.

8.10 Notice. Any notice to be given or payment to be made under this Lease Agreement shall be properly given or made when received by the officer designated below, or when deposited in the United States mail, certified or registered, postage prepaid, addressed as follows (or addressed to such other address as the Party to receive such notice shall have designated by written notice given as required by this Section 8.10):

(a) As to the United States:

The Secretary of the Interior  
Department of the Interior  
1849 C Street, N.W.  
Washington, D.C. 20240

Regional Director  
Western Region Office  
Bureau of Indian Affairs  
2600 N. Central Avenue, 4<sup>th</sup> Floor  
Phoenix, Arizona 89006-1470

Regional Director  
Bureau of Reclamation  
Lower Colorado Region  
P.O. Box 61470  
Boulder City, Nevada 89005

(b) As to the WMAT:

Office of the Tribal Chairman  
White Mountain Apache Tribe  
P.O. Box 1150  
Whiteriver, Arizona 85941

Alternatively, for Federal Express and UPS delivery:  
Office of the Tribal Chairman  
201 East Walnut Street  
Whiteriver, Arizona 85941

Office of the Tribal Attorney  
White Mountain Apache Tribe  
P.O. Box 2110  
Whiteriver, AZ 85941

(c) As to the Cities:

Avondale City Manager  
11465 W. Civic Center Dr.  
Avondale, AZ 85323

Avondale City Attorney  
Gust Rosenfeld P.L.C.  
Attention: Andrew McGuire  
1 E. Washington, Suite 1600  
Phoenix, AZ 85004-2553

Chandler City Manager  
P.O. Box 4008 Mail Stop 605  
Chandler, AZ 85244-4008

Chandler City Attorney  
P.O. Box 4008 Mail Stop 602  
Chandler, Arizona 85225- 4008

Gilbert Town Manager  
50 East Civic Center Drive  
Gilbert, AZ 85296

Gilbert Town Attorney  
Curtis, Goodwin, Sullivan,  
Udall and Schwab P.L.C.  
501 East Thomas Road  
Phoenix, AZ 85012

Glendale City Manager  
5850 West Glendale Ave.  
Glendale, AZ 85301

Glendale City Attorney  
5850 West Glendale Avenue  
Glendale, Arizona 85301

Mesa City Manager  
P.O. Box 1466  
Mesa, AZ 85211-1466

Mesa City Attorney  
P.O. Box 1466  
Mesa, Arizona 85211-1466

Peoria City Manager  
8401 West Monroe  
Peoria, Arizona 85345

Peoria City Attorney  
8401 West Monroe  
Peoria, Arizona 85345-6560

Phoenix City Manager  
200 West Washington, Suite 1200  
Phoenix, Arizona 85003

Phoenix City Attorney  
200 W. Washington, Suite 1300  
Phoenix, Arizona 85003-1611

Scottsdale City Manager  
3939 North Drinkwater Blvd.  
Scottsdale, AZ 85251

Scottsdale City Attorney  
3939 North Drinkwater Blvd.  
Scottsdale, Arizona 85251

Tempe City Manager  
31 East 5<sup>th</sup> Street  
Tempe, Arizona 85281

Tempe City Attorney  
21 E. 6th St., Suite 201  
Tempe, Arizona 85281

(d) As to CAWCD:

Central Arizona Water Conservation District  
23636 North 7<sup>th</sup> Street  
Phoenix, Arizona 85024-3801  
Attn: General Manager

8.11 Governing Law. This Lease Agreement shall be governed by and construed in accordance with applicable Arizona and federal law.

8.12 Waiver. No waiver of any breach of any of the terms or conditions of this Lease Agreement shall be construed as a waiver of any subsequent breach of the same or other terms or conditions of this Lease Agreement.

8.13 Severability. If any provision or clause of this Lease Agreement or application thereof to any person or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions, clauses or applications of this Lease Agreement which can be given effect without the invalid or unenforceable provision, clause or application, and to this end, the provisions and clauses of this Lease Agreement are severable; provided, however, that no provision or clause shall be severed if the severance would deprive any Party of its material benefits under this Lease Agreement.

8.14 Construction and Effect. This Lease Agreement and each of its provisions are to be construed fairly and reasonably and not strictly for or against any Party. The Paragraph and Subparagraph titles used in this Lease Agreement are for convenience only and shall not be considered in the construction of this Lease Agreement.

8.15 Successors and Assigns. Each of the terms and conditions of this Lease Agreement shall be binding on and inure to the benefit of the Parties and their successors and assigns.

8.16 Benefits of Lease Agreement. No member or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Lease Agreement or to any benefit that may arise herefrom. This restriction shall not be construed to extend to this Lease Agreement if made with a corporation or company for its general benefit.

8.17 Third Party Beneficiaries. With the exception of the Other Cities and CAWCD, which shall be third party beneficiaries for enforcement of Subparagraphs 4.12, 6.4, 8.5 and 8.7, there shall be no third party beneficiaries of this Lease Agreement.

8.18 Good Faith Negotiations. This Lease Agreement has been negotiated in good faith for the purposes of advancing the settlement of legal disputes, including pending litigation, and all of the Parties agree that no information exchanged or offered, or compromises made, in the course of negotiating this Lease Agreement may be used as either evidence or argument by any Party hereto in any legal or administrative proceeding other than a proceeding for the interpretation or enforcement of this Lease Agreement.

8.19 Attorneys' Fees. In the event of litigation between the Parties to enforce this Lease Agreement, the prevailing Party in any such action shall be entitled to recover reasonable costs and

expenses of suit, including, without limitation, court costs, attorneys' fees and discovery costs; provided, however, that this Subparagraph 8.19 shall not apply to the United States.

8.20 Remedies for Default on Matters other than Failure to Pay. The WMAT may enforce by the remedy of specific performance any City obligation, other than an obligation to pay which is addressed in Subparagraphs 6.3 and 6.4(D) of this Lease Agreement. The WMAT shall not be entitled to any other remedy as a result of such default. Actions to enforce the terms and conditions of this Lease Agreement are subject to the provisions of Subparagraph 8.19.

IN WITNESS WHEREOF the Parties have executed this Lease Agreement on the date written above.

**[SIGNATURE PAGES FOLLOW]**

**FOR THE WHITE MOUNTAIN APACHE TRIBE**

By: \_\_\_\_\_  
Chairman

Attest \_\_\_\_\_

Dated: \_\_\_\_\_

Approved as to form:

By: \_\_\_\_\_

**FOR THE UNITED STATES OF AMERICA**

By: \_\_\_\_\_  
Regional Director  
Lower Colorado Region  
Bureau of Reclamation

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Regional Director  
Western Region  
Bureau of Indian Affairs

Dated: \_\_\_\_\_

**FOR THE CITY OF GLENDALE**

By: \_\_\_\_\_  
Mayor, City of Glendale

Dated: \_\_\_\_\_

Attest: \_\_\_\_\_  
City Clerk

Approved as to form:

By: \_\_\_\_\_  
City Attorney

**Exhibit 4.12 of the \_\_\_\_\_ Lease Agreement  
(Form of which is Exhibit 10.1.1.1A of the Quantification Agreement)**

**VOLUNTARY ASSIGNMENT AND ASSUMPTION  
OF LEASED WATER**

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the undersigned \_\_\_\_\_ (“Assignor”), hereby transfers, assigns and conveys to the \_\_\_\_\_ (“Assignee”) \_\_\_\_ percent ( \_\_%) of the following:

Assignor's right and interest in and to the Leased Water provided for in the Lease Agreement dated \_\_\_\_ between Assignor and the White Mountain Apache Tribe (the “WMAT”) and the United States (“Lease Agreement”). This \_\_\_\_ percent ( \_\_%) equals \_\_\_\_ acre-feet of Leased Water.

**1. Voluntary Assignment and Assumption Pursuant to Subparagraph 4.12 of Lease Agreement.**

This Voluntary Assignment and Assumption Agreement is executed pursuant to, and is valid only if executed in accordance with, Subparagraph 4.12 of the Lease Agreement. Except as provided in Paragraph 2 of this Voluntary Assignment and Assumption Agreement, the covenants, agreements and limitations provided in the Lease Agreement are hereby incorporated herein by this reference as if herein set out in full and shall inure to the benefit of and shall be binding upon Assignor and Assignee, and their respective successors and assigns.

**2. Assumption of Rights and Obligations Under Lease Agreement.** Assignee agrees to pay all applicable water service charges associated with the delivery of Assignee's share of the Leased Water and otherwise assumes, in accordance with the terms of the Assignor's Lease Agreement, the benefits, burdens and obligations of Assignor thereunder to the extent of Assignee's

percentage interest of the Leased Water assumed, and to the extent such benefits, burdens and obligations arise from and after the date hereof. Assignor shall and hereby does agree to continue to be responsible and indemnify Assignee for all the burdens and obligations of Assignor's Lease Agreement for the period prior to the date hereof and Assignee shall have no liability therefor. Assignor shall have no right to the benefits and no responsibility for the burdens or obligations that arise after the date of this Voluntary Assignment and Assumption Agreement for the assigned portion of the Leased Water. Nothing herein shall affect the WMAT's rights as against the Assignor for acts or omissions arising before the date of this Voluntary Assignment and Assumption Agreement.

**3. Other Acts.** Each Party will, whenever and as often as it shall be requested so to do by the other, perform such acts and cause to be executed, acknowledged or delivered any and all such further instruments and documents as may be necessary or proper, in the reasonable opinion of the requesting Party, in order to carry out the intent and purpose of this Voluntary Assignment and Assumption Agreement.

**4. Water Assigned Becomes a Part of Any Pre-Existing Lease Agreement.** If the Assignee is a party to a pre-existing Lease Agreement with the WMAT pursuant to Paragraph 10.0. of the Quantification Agreement, that Lease Agreement is hereby deemed amended, without further action, to include the additional rights and interest in the Leased Water assigned to Assignee by this Voluntary Assignment and Assumption Agreement and shall be subject to enforcement pursuant to that pre-existing Lease Agreement as well as by its assumption of the Assignor's burdens and obligations as provided for herein.

5. **Counterparts.** This Voluntary Assignment and Assumption Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which, when taken together, shall constitute one and the same instrument.

6. **Attorneys' Fees.** In the event of litigation between the parties to enforce this Voluntary Assignment and Assumption Agreement, the prevailing party in any such action shall be entitled to recover reasonable costs and expenses of suit, including, but not limited to, court costs, attorneys' fees and discovery costs; provided, however, that this Paragraph 6.0 shall not apply to the United States.

7. **Effective Date.** This Voluntary Assignment and Assumption Agreement shall become effective when it is signed by the parties hereto.

IN WITNESS WHEREOF the parties have executed this Voluntary Assignment and Assumption Agreement on the \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.

\_\_\_\_\_ (Assignor)

By \_\_\_\_\_

Its \_\_\_\_\_

Dated: \_\_\_\_\_

Attest: \_\_\_\_\_

Its \_\_\_\_\_

Approved as to form: \_\_\_\_\_

Its \_\_\_\_\_

\_\_\_\_\_ (Assignee)

By \_\_\_\_\_

Its \_\_\_\_\_

Dated: \_\_\_\_\_

Attest: \_\_\_\_\_

Its \_\_\_\_\_

Approved as to form: \_\_\_\_\_

Its \_\_\_\_\_

The parties to this Voluntary Assignment and Assumption Agreement certify that a copy of this Voluntary Assignment and Assumption Agreement was provided in accordance with Subparagraphs 4.12 (B) and 8.10 of the Lease Agreement to the White Mountain Apache Tribe, the United States and the Operating Agency on \_\_\_\_\_, 2\_\_\_\_.

**Exhibit 6.4 of the \_\_\_\_\_ Lease Agreement  
(Form of which is Exhibit 10.1.1.1B of the Quantification Agreement)**

**ASSIGNMENT AND ASSUMPTION OF LEASED WATER**

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the undersigned \_\_\_\_\_ (“Assignor”), hereby transfers, assigns and conveys to the \_\_\_\_\_ (“Assignee”) \_\_\_\_\_ percent (\_\_\_%) of the following:

Assignor's right and interest in and to the Leased Water provided for in the Lease Agreement dated \_\_\_\_\_ between Assignor and the White Mountain Apache Tribe (the “WMAT”) and the United States (“Lease Agreement”). This \_\_\_ percent (\_\_\_ %) equals \_\_\_ acre-feet of Leased Water.

**1. Assignment and Assumption Pursuant to Subparagraph 6.4 of Lease Agreement.** This Assignment and Assumption Agreement is executed pursuant to, and is valid only if executed in accordance with, Subparagraph 6.4 of the Lease Agreement. Except as provided in Paragraph 2 of this Assignment and Assumption Agreement, the covenants, agreements and limitations provided in the Lease Agreement are hereby incorporated herein by this reference as if herein set out in full and shall inure to the benefit of and shall be binding upon Assignor and Assignee, and their respective successors and assigns.

**2. Assumption of Rights and Obligations Under Lease Agreement.** Assignee agrees to pay all applicable water service charges associated with the delivery of Assignee's share of the Leased Water and otherwise assumes, in accordance with the terms of the Assignor's Lease Agreement, the benefits, burdens and obligations of Assignor thereunder to the extent of Assignee's percentage interest of the Leased Water assumed, and to the extent such benefits, burdens and obligations arise from and after the date hereof, except that Assignee agrees to pay and be

responsible to the WMAT for the Assignee's share of the Default Amount set forth in Subparagraph 6.2 of the Lease Agreement. Assignor shall and hereby does agree to continue to be responsible and indemnify Assignee for all the burdens and obligations of Assignor under the Lease Agreement for the period prior to the date of default under Subparagraph 6.1 of the Lease Agreement and Assignee shall have no liability therefor. For the assigned portion of the Leased Water, Assignor shall have no right to the benefits and no responsibility for the burdens or obligations that arise after the date that this Assignment and Assumption Agreement is effective. Nothing herein shall affect the WMAT's rights as against the Assignor for acts or omissions arising before the date of this Assignment and Assumption Agreement.

**3. Other Acts.** Each Party will, whenever and as often as it shall be requested so to do by the other, perform such acts and cause to be executed, acknowledged or delivered any and all such further instruments and documents as may be necessary or proper, in the reasonable opinion of the requesting Party, in order to carry out the intent and purpose of this Assignment and Assumption Agreement.

**4. Water Assigned Becomes a Part of Any Pre-Existing Lease Agreement.** If the Assignee is a party to a pre-existing Lease Agreement with the WMAT pursuant to Paragraph 10.0 of the Quantification Agreement, that Lease Agreement is hereby deemed amended, without further action, to include the additional rights and interest in the Leased Water assigned by this Assignment and Assumption Agreement and shall be subject to enforcement pursuant to that pre-existing Lease Agreement as well as by its assumption of the Assignor's burdens and obligations as provided for herein.

5. **Counterparts.** This Assignment and Assumption Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which, when taken together, shall constitute one and the same instrument.

6. **Attorneys' Fees.** In the event of litigation between the parties to enforce this Assignment and Assumption Agreement, the prevailing party in any such action shall be entitled to recover reasonable costs and expenses of suit, including, but not limited to, court costs, attorneys' fees and discovery costs; provided, however, that this Paragraph 6.0 shall not apply to the United States.

7. **Effective Date.** This Assignment and Assumption Agreement shall become effective when it is signed by the parties hereto and the Assignee has paid its share of the Default Amount in accordance with Subparagraph 6.4 (B) of the Lease Agreement, or if not signed by Assignor, upon Assignee's signature in accordance with the provisions of Subparagraph 6.4 (B) of the Lease Agreement describing "self execution", and the Assignee's payment of its share of the Default Amount.

IN WITNESS WHEREOF the parties have executed this Assignment and Assumption

Agreement on the \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.

\_\_\_\_\_ (Assignor)

By \_\_\_\_\_  
Its \_\_\_\_\_

Dated: \_\_\_\_\_

Attest: \_\_\_\_\_  
Its \_\_\_\_\_

Approved as to form: \_\_\_\_\_

Its \_\_\_\_\_

\_\_\_\_\_ (Assignee)

By \_\_\_\_\_  
Its \_\_\_\_\_

Dated: \_\_\_\_\_

Attest: \_\_\_\_\_  
Its \_\_\_\_\_

Approved as to form: \_\_\_\_\_

Its \_\_\_\_\_

The parties to this Assignment and Assumption Agreement certify that a copy of this Assignment and Assumption Agreement was provided in accordance with Subparagraphs 6.4(B) and 8.10 of the Lease Agreement to the White Mountain Apache Tribe, the United States and the Operating Agency on \_\_\_\_\_ \_\_, 2\_\_\_\_.

**MINUTES OF THE REGULAR MEETING OF THE COUNCIL  
OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA,  
HELD TUESDAY, FEBRUARY 24, 2009, AT 7:00 P.M.**

The meeting was called to order by Mayor Elaine M. Scruggs, with Vice Mayor Manuel D. Martinez and the following Councilmembers present: Joyce V. Clark, Steven E. Frate, David M. Goulet, Yvonne J. Knaack, and H. Philip Lieberman.

Also present were Ed Beasley, City Manager; Pam Kavanaugh, Assistant City Manager; Craig Tindall, City Attorney; and Pamela Hanna, City Clerk.

**COMPLIANCE WITH ARTICLE VII, SECTION 6(c) OF THE GLENDALE CHARTER**

A statement was filed by the City Clerk that the two resolutions to be considered at the meeting were available for public examination and the title posted at City Hall more than 72 hours in advance of the meeting.

**APPROVAL OF THE MINUTES OF THE FEBRUARY 10, 2009 CITY COUNCIL MEETING**

It was moved by Goulet, and seconded by Clark, to dispense with the reading of the minutes of the February 10, 2009 regular City Council meeting, as each member of the Council had been provided copies in advance, and approve them as written. The motion carried unanimously.

**BOARDS, COMMISSIONS AND OTHER BODIES**

This is a request for the City Council to approve the recommended appointments to the following boards, commissions and other bodies that have a vacancy or expired term and for the Mayor to administer the Oath of Office to those appointees in attendance.

			<b>Effective</b>	<b>Expiration</b>
<b><u>Commission on Persons with Disabilities</u></b>				
Danielle Bohall	Ocotillo	Reappointment	02/27/2009	02/27/2011
Gary Charlson	Barrel	Appointment	02/24/2009	04/26/2010
Shirley Galvez	Yucca	Reappointment	03/22/2009	03/22/2010
Ricki Ray	Cactus	Reappointment	02/27/2009	02/27/2010
Robert Koehler	Sahuaro	Reappointment	02/27/2009	02/27/2011
Ricki Ray – Chair	Cactus	Reappointment	02/26/2009	02/26/2010
Robert Koehler – Vice Chair	Sahuaro	Appointment	02/26/2009	02/26/2010
<b><u>Parks &amp; Recreation Advisory Commission</u></b>				
Rodney Passmore – Chair	Ocotillo	Reappointment	02/26/2009	02/26/2010
Liz Farley – Vice Chair	Mayoral	Reappointment	02/26/2009	02/26/2010

The emergency procurement of hydrogen peroxide from the US Peroxide Fiscal Year 2008-09 contract was necessary due to increased chemical usage in order to minimize odor and corrosion levels, the addition of the new odor control station, and the higher costs for transporting the chemical combined to make the emergency procurement necessary. Funds for the emergency purchase are included in the approved funding.

Historically, the addition of new odor control stations and the increased demand over time for this odor-controlling product have resulted in increased costs under this contract.

On December 12, 2006, the Council authorized an appropriation increase to the annual contract amount with US Peroxide for chemicals for Fiscal Year 2006-07.

On October 12, 2004, following a competitive bid process; the Council awarded a contract to US Peroxide for hydrogen peroxide supply, service, and maintenance, and authorized the City Manager to extend the contract for four additional years, in one-year increments.

Funds are available in the Fiscal Year 2008-09 operating budget of the Utilities Department.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
			X		\$250,000

<b><u>Account Name, Fund, Account and Line Item Number:</u></b> Wastewater Collection, Account No. 2420-17630-518200, \$250,000
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The recommendation was to authorize an appropriation increase of \$250,000 to the Fiscal Year 2008-09 contract amount of \$1,000,000 with US Peroxide for chemicals.

**CONSENT RESOLUTIONS**

**7. WATER RIGHTS SETTLEMENT**

This is a request for the City Council to waive reading beyond the title and adopt a resolution approving and authorizing the entering into of the White Mountain Apache Tribe Water Rights Quantification Agreement and all associated exhibits.

The White Mountain Apache Tribe (“WMAT”) reservation was established by an act of Congress in 1871 and is located at the headwaters of the Salt River system. The WMAT’s federally-reserved water right has a priority date matching the establishment of the reservation. The exact quantity and nature of the WMAT’s water rights have been litigated in the Gila River General Stream Adjudication and the Little Colorado River General Stream Adjudication; but no final ruling has been made.

Based upon the location of the WMAT reservation and the relatively early water rights priority date, any depletions from the Salt River system water by the WMAT will have a direct impact on water supplies available to Glendale through the Salt River Project and from Modified Roosevelt Dam. Final resolution of the WMAT's water rights will avoid years of prolonged uncertainty concerning the availability of water supplies and the related expense of litigation.

After considerable negotiation, several entities have developed a comprehensive settlement agreement with the WMAT. The parties include: the United States of America; the State of Arizona; the Salt River Project; the Central Arizona Water Conservation District; the Roosevelt Water Conservation District; the cities of Avondale, Chandler, Gilbert, Glendale, Mesa, Peoria, Phoenix, Scottsdale, Tempe, and Show Low; the Arizona Water Company; the Buckeye Irrigation Company; and the Buckeye Water Conservation and Drainage District.

The parties have agreed to provide certain water resources, and other resources to the WMAT; and not to contest the WMAT's use of those water resources. In exchange, the WMAT and the United States, as trustee for the WMAT, formally recognize water rights claims of the other parties, and agree to waive claims that could potentially diminish the other parties' individual use of water resources.

Additionally, the WMAT is offering to lease a substantial portion of its Central Arizona Project water to the central Arizona cities, including Glendale. The leases would be for a 100 year period and would minimize the impact of Salt River water resources provided to the WMAT.

Provisions in the lease agreement allow the City to forgo leasing of Central Arizona Project water from the WMAT, or to accept a portion of the WMAT's leased Central Arizona Project water forgone by another party. The City may opt to forgo the lease at a date after entering into the Quantification Agreement, but prior to the date on which the White Mountain Apache Tribe Water Rights Quantification Act becomes enforceable.

The Quantification Agreement, which is considered permanent, will become enforceable upon the occurrence of several events specified in the authorizing White Mountain Apache Tribe Water Rights Quantification Act. The Act was introduced in Congress on September 11, 2008 and is expected to become enforceable by October 31, 2013.

On April 22, 2008, the City of Glendale adopted Resolution No. 4146, New Series, authorizing the entering into of an Intergovernmental Agreement and Contract for Legal Services relating to the joint representation in the settlement efforts relating to the water right claims of the WMAT.

The Quantification Agreement places a ceiling on WMAT’s depletions from the Salt River watershed, and provides certainty to Glendale’s water supplies available through Salt River Project and Modified Roosevelt Dam. Additionally, the option to lease Central Arizona Project water from the WMAT will minimize the impact of Salt River water resources provided to the WMAT.

The amount of Central Arizona Project water available from the WMAT for lease by Glendale is projected to be 649 acre feet of Indian/Municipal & Industrial priority Central Arizona Project supply, and 1,714 acre feet of Non-Indian Agricultural priority Central Arizona Project supply. The dollar amounts represent negotiated market value for the water, and are in current dollars. The actual cost will be adjusted by the Consumer Price Index-all items, and will depend upon the final settlement enforceability date.

The negotiated market value for each acre foot of Indian/Municipal & Industrial priority Central Arizona Project supply is \$2,550. The negotiated market value for each acre foot of Non-Indian Agricultural priority Central Arizona Project supply is \$2,074. The effective date for the lease is expected to occur in FY2012-13. A capital project is already included in Fiscal Year 2012-13 of Glendale’s current 10-year Capital Improvement Program.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
	\$5,209,786		X		\$5,209,786

**Account Name, Fund, Account and Line Item Number:**  
 Additional Water Supply, Temporary Account No. 2400-T3552 (a specific account number will be established within Fund 2400 by FY2012-13), \$5,209,786.

The recommendation was to waive reading beyond the title and adopt a resolution authorizing the entering into of the White Mountain Apache Tribe Water Rights Quantification Agreement and all applicable exhibits.

Resolution No. 4235 New Series was read by number and title only, it being **A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, APPROVING AND AUTHORIZING THE ENTERING INTO OF THE WHITE MOUNTAIN APACHE TRIBE WATER RIGHTS QUANTIFICATION AGREEMENT, APPLICABLE EXHIBITS AND ANY FURTHER REQUIRED AMENDMENTS THERETO.**

8. INTERGOVERNMENTAL AGREEMENT AND CONTRACT FOR LEGAL SERVICES

This is a request for the City Council to waive reading beyond the title and adopt a resolution approving an Intergovernmental Agreement and the Contract for Legal Services with the cities of Avondale, Chandler and Scottsdale relating to the joint

representation in settlement efforts relating to water right claims of the White Mountain Apache Tribe.

This lawsuit involves the adjudication of water rights in the Gila and Salt River watersheds. The law firm of Engelman Berger, P.C. has been hired to represent the cities of Glendale, Chandler, Goodyear, Mesa, and Scottsdale in this lawsuit. The attorney handling this matter is William H. Anger. Mr. Anger has successfully represented many of these same cities before the Arizona Supreme Court in matters related to the Gila River Adjudication. The cities are currently involved in a phase of the lawsuit to settle the White Mountain Apache Tribe claims. The City of Mesa has chosen to represent itself in this phase of the lawsuit. The City of Goodyear has no water rights affected by this phase of the lawsuit. The City of Avondale wants to join the cities of Glendale, Chandler, and Scottsdale in legal representation of this phase of the lawsuit.

On April 22, 2008, the City of Glendale adopted Resolution No. 4146, New Series, authorizing the entering into of an Intergovernmental Agreement and Contract for Legal Services relating to the joint representation in the settlement efforts relating to the water right claims of the White Mountain Apache Tribe.

As in any litigation with many parties, a large group of similarly-situated parties with common representation can have a much greater effect and reduced cost than those same parties would have individually.

The cost of representation will be equally shared by the cities. Glendale will be responsible for 25% or \$30,000 for services rendered under this contract. Funds for this project are in the Utilities Account.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
			X		\$30,000

**Account Name, Fund, Account and Line Item Number:**  
 Utilities Administration Account No. 2360-17110-518200

The recommendation was to waive reading beyond the title and adopt a resolution authorizing the entering into of an Intergovernmental Agreement and Contract for Legal Services relating to the joint representation in the settlement efforts relating to the water right claims of the White Mountain Apache Tribe.

Resolution No. 4236 New Series was read by number and title only, it being **A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING AND DIRECTING THE ENTERING INTO OF AN INTERGOVERNMENTAL AGREEMENT AND CONTRACT FOR LEGAL SERVICES WITH THE CITIES OF AVONDALE, CHANDLER AND SCOTTSDALE RELATING TO JOINT LEGAL REPRESENTATION IN THE SETTLEMENT EFFORTS RELATING TO WATER RIGHTS CLAIMS OF THE WHITE MOUNTAIN APACHE TRIBE.**

It was moved by Frate and seconded by Knaack, to approve the recommended actions on Consent Agenda Item Nos. 1 through 8, including the approval and adoption of Resolution No. 4235 New Series and Resolution No. 4236 New Series; and to forward Liquor License Application No. 3-1224 for Cactus Market; Liquor License No. 3-1226 for Cactus Willy's Bar & Grill and Liquor License No. 3-1227 for Glendale Mini Mart to the State of Arizona Department of Liquor Licenses and Control, with the recommendation for approval. The motion carried unanimously.

#### **REQUEST FOR FUTURE WORKSHOP AND EXECUTIVE SESSION**

It was moved by Martinez, and seconded by Frate, to hold a City Council Workshop at 1:30 p.m. in Room B-3 of the City Council Chambers on Tuesday, March 3, 2009, to be followed by an Executive Session pursuant to A.R.S. 38-431.03. It was additionally moved to hold a Special Meeting and Executive Session pursuant to A.R.S. 38-431.03 of the Glendale City Council at 8:30 a.m. in the Onyx Room at the Glendale Civic Center, 5750 W. Glenn Drive, on Wednesday, March 25, 2009. The motion carried unanimously.

#### **CITIZEN COMMENTS**

Ms. Norma Alvarez, an Ocotillo resident, thanked the Council for their support of the Community Action Program. She stated she was here today to question the recommendations made regarding the CDBG funding. She indicated they were here to speak on behalf of the residents of the city of Glendale who have been affected by the current economic crises. They as community leaders are committed to serve the low to moderate income population who has seen a growth of poverty, not only in central Glendale, by also to the north and west. She stated it was their duty and obligation to make sure they look to fairness and elimination of duplicate services. She also discussed the middle class plight regarding mortgage assistance, job lose and help with utilities. She provided an informational package to the city clerk containing their questions and concerns.

Mr. Paul R. Jones, a Phoenix resident, provided Council with a prepared statement regarding the Tohoho O' Odham Casino. In summary, it stated that Title 25, inclusive of Howard-Wheeler Act of 1934, is the means by which federally recognized Indian tribes operate. However, it was not law and he believes there is nothing in the United States Constitution authorizing Title 25 to exist. In his statement, he stated that Title 25 was a blood-quantum, race-based legislation repugnant to the United States Constitution's Article IV, Section 4. He also cited the following clauses for his argument: (1) Title of Nobility Clause (2) Bill of Attainder Clause (3) Property Clause (4) Treaty Clause (5) 14<sup>th</sup> Amendment. He continued that the federal government cannot compel, at the point of a bayonet, an un-consenting State of the Union to cede State land for any purpose as the United States Constitution provides for no such authority. He cited from a number of sources such as newspaper articles, excerpts of the Supreme Court and

**MINUTES OF THE REGULAR MEETING OF THE COUNCIL  
OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA,  
HELD TUESDAY, FEBRUARY 24, 2009, AT 7:00 P.M.**

The meeting was called to order by Mayor Elaine M. Scruggs, with Vice Mayor Manuel D. Martinez and the following Councilmembers present: Joyce V. Clark, Steven E. Frate, David M. Goulet, Yvonne J. Knaack, and H. Philip Lieberman.

Also present were Ed Beasley, City Manager; Pam Kavanaugh, Assistant City Manager; Craig Tindall, City Attorney; and Pamela Hanna, City Clerk.

**COMPLIANCE WITH ARTICLE VII, SECTION 6(c) OF THE GLENDALE CHARTER**

A statement was filed by the City Clerk that the two resolutions to be considered at the meeting were available for public examination and the title posted at City Hall more than 72 hours in advance of the meeting.

**APPROVAL OF THE MINUTES OF THE FEBRUARY 10, 2009 CITY COUNCIL MEETING**

It was moved by Goulet, and seconded by Clark, to dispense with the reading of the minutes of the February 10, 2009 regular City Council meeting, as each member of the Council had been provided copies in advance, and approve them as written. The motion carried unanimously.

**BOARDS, COMMISSIONS AND OTHER BODIES**

This is a request for the City Council to approve the recommended appointments to the following boards, commissions and other bodies that have a vacancy or expired term and for the Mayor to administer the Oath of Office to those appointees in attendance.

			<b>Effective</b>	<b>Expiration</b>
<b><u>Commission on Persons with Disabilities</u></b>				
Danielle Bohall	Ocotillo	Reappointment	02/27/2009	02/27/2011
Gary Charlson	Barrel	Appointment	02/24/2009	04/26/2010
Shirley Galvez	Yucca	Reappointment	03/22/2009	03/22/2010
Ricki Ray	Cactus	Reappointment	02/27/2009	02/27/2010
Robert Koehler	Sahuaro	Reappointment	02/27/2009	02/27/2011
Ricki Ray – Chair	Cactus	Reappointment	02/26/2009	02/26/2010
Robert Koehler – Vice Chair	Sahuaro	Appointment	02/26/2009	02/26/2010
<b><u>Parks &amp; Recreation Advisory Commission</u></b>				
Rodney Passmore – Chair	Ocotillo	Reappointment	02/26/2009	02/26/2010
Liz Farley – Vice Chair	Mayoral	Reappointment	02/26/2009	02/26/2010

The emergency procurement of hydrogen peroxide from the US Peroxide Fiscal Year 2008-09 contract was necessary due to increased chemical usage in order to minimize odor and corrosion levels, the addition of the new odor control station, and the higher costs for transporting the chemical combined to make the emergency procurement necessary. Funds for the emergency purchase are included in the approved funding.

Historically, the addition of new odor control stations and the increased demand over time for this odor-controlling product have resulted in increased costs under this contract.

On December 12, 2006, the Council authorized an appropriation increase to the annual contract amount with US Peroxide for chemicals for Fiscal Year 2006-07.

On October 12, 2004, following a competitive bid process; the Council awarded a contract to US Peroxide for hydrogen peroxide supply, service, and maintenance, and authorized the City Manager to extend the contract for four additional years, in one-year increments.

Funds are available in the Fiscal Year 2008-09 operating budget of the Utilities Department.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
			X		\$250,000

<b><u>Account Name, Fund, Account and Line Item Number:</u></b> Wastewater Collection, Account No. 2420-17630-518200, \$250,000
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The recommendation was to authorize an appropriation increase of \$250,000 to the Fiscal Year 2008-09 contract amount of \$1,000,000 with US Peroxide for chemicals.

**CONSENT RESOLUTIONS**

**7. WATER RIGHTS SETTLEMENT**

This is a request for the City Council to waive reading beyond the title and adopt a resolution approving and authorizing the entering into of the White Mountain Apache Tribe Water Rights Quantification Agreement and all associated exhibits.

The White Mountain Apache Tribe (“WMAT”) reservation was established by an act of Congress in 1871 and is located at the headwaters of the Salt River system. The WMAT’s federally-reserved water right has a priority date matching the establishment of the reservation. The exact quantity and nature of the WMAT’s water rights have been litigated in the Gila River General Stream Adjudication and the Little Colorado River General Stream Adjudication; but no final ruling has been made.

Based upon the location of the WMAT reservation and the relatively early water rights priority date, any depletions from the Salt River system water by the WMAT will have a direct impact on water supplies available to Glendale through the Salt River Project and from Modified Roosevelt Dam. Final resolution of the WMAT's water rights will avoid years of prolonged uncertainty concerning the availability of water supplies and the related expense of litigation.

After considerable negotiation, several entities have developed a comprehensive settlement agreement with the WMAT. The parties include: the United States of America; the State of Arizona; the Salt River Project; the Central Arizona Water Conservation District; the Roosevelt Water Conservation District; the cities of Avondale, Chandler, Gilbert, Glendale, Mesa, Peoria, Phoenix, Scottsdale, Tempe, and Show Low; the Arizona Water Company; the Buckeye Irrigation Company; and the Buckeye Water Conservation and Drainage District.

The parties have agreed to provide certain water resources, and other resources to the WMAT; and not to contest the WMAT's use of those water resources. In exchange, the WMAT and the United States, as trustee for the WMAT, formally recognize water rights claims of the other parties, and agree to waive claims that could potentially diminish the other parties' individual use of water resources.

Additionally, the WMAT is offering to lease a substantial portion of its Central Arizona Project water to the central Arizona cities, including Glendale. The leases would be for a 100 year period and would minimize the impact of Salt River water resources provided to the WMAT.

Provisions in the lease agreement allow the City to forgo leasing of Central Arizona Project water from the WMAT, or to accept a portion of the WMAT's leased Central Arizona Project water forgone by another party. The City may opt to forgo the lease at a date after entering into the Quantification Agreement, but prior to the date on which the White Mountain Apache Tribe Water Rights Quantification Act becomes enforceable.

The Quantification Agreement, which is considered permanent, will become enforceable upon the occurrence of several events specified in the authorizing White Mountain Apache Tribe Water Rights Quantification Act. The Act was introduced in Congress on September 11, 2008 and is expected to become enforceable by October 31, 2013.

On April 22, 2008, the City of Glendale adopted Resolution No. 4146, New Series, authorizing the entering into of an Intergovernmental Agreement and Contract for Legal Services relating to the joint representation in the settlement efforts relating to the water right claims of the WMAT.

The Quantification Agreement places a ceiling on WMAT’s depletions from the Salt River watershed, and provides certainty to Glendale’s water supplies available through Salt River Project and Modified Roosevelt Dam. Additionally, the option to lease Central Arizona Project water from the WMAT will minimize the impact of Salt River water resources provided to the WMAT.

The amount of Central Arizona Project water available from the WMAT for lease by Glendale is projected to be 649 acre feet of Indian/Municipal & Industrial priority Central Arizona Project supply, and 1,714 acre feet of Non-Indian Agricultural priority Central Arizona Project supply. The dollar amounts represent negotiated market value for the water, and are in current dollars. The actual cost will be adjusted by the Consumer Price Index-all items, and will depend upon the final settlement enforceability date.

The negotiated market value for each acre foot of Indian/Municipal & Industrial priority Central Arizona Project supply is \$2,550. The negotiated market value for each acre foot of Non-Indian Agricultural priority Central Arizona Project supply is \$2,074. The effective date for the lease is expected to occur in FY2012-13. A capital project is already included in Fiscal Year 2012-13 of Glendale’s current 10-year Capital Improvement Program.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
	\$5,209,786		X		\$5,209,786

**Account Name, Fund, Account and Line Item Number:**  
 Additional Water Supply, Temporary Account No. 2400-T3552 (a specific account number will be established within Fund 2400 by FY2012-13), \$5,209,786.

The recommendation was to waive reading beyond the title and adopt a resolution authorizing the entering into of the White Mountain Apache Tribe Water Rights Quantification Agreement and all applicable exhibits.

Resolution No. 4235 New Series was read by number and title only, it being **A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, APPROVING AND AUTHORIZING THE ENTERING INTO OF THE WHITE MOUNTAIN APACHE TRIBE WATER RIGHTS QUANTIFICATION AGREEMENT, APPLICABLE EXHIBITS AND ANY FURTHER REQUIRED AMENDMENTS THERETO.**

8. INTERGOVERNMENTAL AGREEMENT AND CONTRACT FOR LEGAL SERVICES

This is a request for the City Council to waive reading beyond the title and adopt a resolution approving an Intergovernmental Agreement and the Contract for Legal Services with the cities of Avondale, Chandler and Scottsdale relating to the joint

representation in settlement efforts relating to water right claims of the White Mountain Apache Tribe.

This lawsuit involves the adjudication of water rights in the Gila and Salt River watersheds. The law firm of Engelman Berger, P.C. has been hired to represent the cities of Glendale, Chandler, Goodyear, Mesa, and Scottsdale in this lawsuit. The attorney handling this matter is William H. Anger. Mr. Anger has successfully represented many of these same cities before the Arizona Supreme Court in matters related to the Gila River Adjudication. The cities are currently involved in a phase of the lawsuit to settle the White Mountain Apache Tribe claims. The City of Mesa has chosen to represent itself in this phase of the lawsuit. The City of Goodyear has no water rights affected by this phase of the lawsuit. The City of Avondale wants to join the cities of Glendale, Chandler, and Scottsdale in legal representation of this phase of the lawsuit.

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As in any litigation with many parties, a large group of similarly-situated parties with common representation can have a much greater effect and reduced cost than those same parties would have individually.

The cost of representation will be equally shared by the cities. Glendale will be responsible for 25% or \$30,000 for services rendered under this contract. Funds for this project are in the Utilities Account.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
			X		\$30,000

**Account Name, Fund, Account and Line Item Number:**  
 Utilities Administration Account No. 2360-17110-518200

The recommendation was to waive reading beyond the title and adopt a resolution authorizing the entering into of an Intergovernmental Agreement and Contract for Legal Services relating to the joint representation in the settlement efforts relating to the water right claims of the White Mountain Apache Tribe.

Resolution No. 4236 New Series was read by number and title only, it being **A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING AND DIRECTING THE ENTERING INTO OF AN INTERGOVERNMENTAL AGREEMENT AND CONTRACT FOR LEGAL SERVICES WITH THE CITIES OF AVONDALE, CHANDLER AND SCOTTSDALE RELATING TO JOINT LEGAL REPRESENTATION IN THE SETTLEMENT EFFORTS RELATING TO WATER RIGHTS CLAIMS OF THE WHITE MOUNTAIN APACHE TRIBE.**

It was moved by Frate and seconded by Knaack, to approve the recommended actions on Consent Agenda Item Nos. 1 through 8, including the approval and adoption of Resolution No. 4235 New Series and Resolution No. 4236 New Series; and to forward Liquor License Application No. 3-1224 for Cactus Market; Liquor License No. 3-1226 for Cactus Willy's Bar & Grill and Liquor License No. 3-1227 for Glendale Mini Mart to the State of Arizona Department of Liquor Licenses and Control, with the recommendation for approval. The motion carried unanimously.

#### **REQUEST FOR FUTURE WORKSHOP AND EXECUTIVE SESSION**

It was moved by Martinez, and seconded by Frate, to hold a City Council Workshop at 1:30 p.m. in Room B-3 of the City Council Chambers on Tuesday, March 3, 2009, to be followed by an Executive Session pursuant to A.R.S. 38-431.03. It was additionally moved to hold a Special Meeting and Executive Session pursuant to A.R.S. 38-431.03 of the Glendale City Council at 8:30 a.m. in the Onyx Room at the Glendale Civic Center, 5750 W. Glenn Drive, on Wednesday, March 25, 2009. The motion carried unanimously.

#### **CITIZEN COMMENTS**

Ms. Norma Alvarez, an Ocotillo resident, thanked the Council for their support of the Community Action Program. She stated she was here today to question the recommendations made regarding the CDBG funding. She indicated they were here to speak on behalf of the residents of the city of Glendale who have been affected by the current economic crises. They as community leaders are committed to serve the low to moderate income population who has seen a growth of poverty, not only in central Glendale, by also to the north and west. She stated it was their duty and obligation to make sure they look to fairness and elimination of duplicate services. She also discussed the middle class plight regarding mortgage assistance, job lose and help with utilities. She provided an informational package to the city clerk containing their questions and concerns.

Mr. Paul R. Jones, a Phoenix resident, provided Council with a prepared statement regarding the Tohoho O' Odham Casino. In summary, it stated that Title 25, inclusive of Howard-Wheeler Act of 1934, is the means by which federally recognized Indian tribes operate. However, it was not law and he believes there is nothing in the United States Constitution authorizing Title 25 to exist. In his statement, he stated that Title 25 was a blood-quantum, race-based legislation repugnant to the United States Constitution's Article IV, Section 4. He also cited the following clauses for his argument: (1) Title of Nobility Clause (2) Bill of Attainder Clause (3) Property Clause (4) Treaty Clause (5) 14<sup>th</sup> Amendment. He continued that the federal government cannot compel, at the point of a bayonet, an un-consenting State of the Union to cede State land for any purpose as the United States Constitution provides for no such authority. He cited from a number of sources such as newspaper articles, excerpts of the Supreme Court and