



Minutes
Enhanced Services Commission
May 11, 2011

Minutes of the Enhanced Services Commission held on May 11, 2011, 8:30 AM, at the Tempe Center for the Arts, Tempe, Arizona.

Members Present:

Chris Anaradian, Secretary
Neil Calfee, President
Gordon Cresswell
Wayne Dames, Vice President
Ken Jones, Treasurer
Heidi Kimball, Chairman of the Board

City Staff Present:

Andy Goh
Roger Hallsted
Chris Kabala
Chris Messer
Nancy Ryan
Kathy Wittenburg

Members Absent:

Kathy Berzins
Don Bessler
Travis Dray
Nancy Hormann
Peter Wolff

Public Present:

Steve Nielsen, ASU

Meeting convened at 8:39 AM.

Agenda Item 1 – Consideration of meeting minutes: April 13, 2011

Heidi Kimball confirmed the commission members had reviewed the minutes and requested a motion to approve.

MOTION: Chris Messer
SECOND: Ken Jones
DECISION: Minutes Approved

Agenda Item 2 – Public Appearances

There were no public appearances.

Agenda Item 3 – Town Lake Dam Replacement

Andy Goh distributed a handout with a schedule and said they are going to meet with regulatory agencies and contractors to assess the scope of work and two step plan for completion. Heidi Kimball confirmed that there are three agencies (Gannett Fleming, Stantec/URS and Stanley) are on the short list to consider future dam replacement options, and that all three have a local presence.

Neil Calfee asked what technological and manufacturing alternatives are being discussed, and could an earthen dam, based on cost and feasibility, be considered.

General discussion regarding the Dam Replacement including:

Steve Neilson commented that simple (earthen dam) technology was originally considered when building the lake, but discounted because there were too many unknowns regarding flow rates, flood storage capacity, etc. But there is so much more data available now (especially after the bladder failure) that he believes a combo of earthen dam and small gate structure could be a \$1 or \$2 million dollar solution. When researching the original dam manufacturers, he spent two weeks in Japan looking at the Bridgestone technology; which was low tech manufacturing equipment, simple to use and easy to transfer. The rubber dams that were built, if covered and cooled, should have been a great product. He recommends considering buying that equipment from Japan - or replicate it here and manufacture a new dam.

Neil Calfee asked what options (including a cost benefit analysis, approaching regulatory agencies to change the standards, securing independent vendors who will give the City the most economical solution) can be explored.

Ken Jones clarified that the project of this magnitude is very complex (much more detail than purchasing press and manufacturing a bladder for the dam) and suggests having the City Manager contact Bridgestone again to determine what obstacles are in place and what can be done to address them.

Heidi suggested putting together a team of attorneys and upper management to review all of the options.

Chris Anaradian suggested that a joint meeting with the Council should be scheduled to discuss the options, give them any report or information that is collected and get their direction. He also commented that although an earthen dam may not be the most permanent option, it is a proven technology.

Wayne Dames said that his firm did a similar project and that vendor submitted a list of options with no recommendations which prevented any incentive for vendors to offer only high dollar options. The firm reviewed the pros and cons of each proposal and made their decision. In that case, they discovered regulatory issues with having running water going over the principal spillway; it was required to have a principal spillway and a separate emergency spillway, and changes needed to be made.

Action Items:

- Lobby Bridgestone for options
- Review completed report in August or September
- Meet with Council to discuss report and get direction (at 9/22 or 10/25 Council Strategy Session)
- Schedule an additional independent review if necessary

Agenda Item 4 – Reserve Study Update – Nancy Ryan and Ken Jones

Nancy Ryan presented several basic questions that will be addressed in the completed study as follows:

- What is it likely to cost for the new dam?
- What are the results of the reserve study that was commissioned by Reserve Data Analysis?
- Who should pay?
- What happens to the original debt?
- What are the possible ways to finance the dam replacement?
- What would it mean in terms of assessment to property owners?
- When is the right time to initiate this higher reserve collection?

Heidi Kimball asked what the remainder of the original debt is and confirmed that the reserve payment comes from the O and M budget.

Roger Hallsted replied that the original amount was \$45 million, but it is now approximately 50% paid.

Ken Jones said that he doesn't think there was any mechanism set in place when the reserve was initially set up over these last ten years or more, and there is a balance of approximately \$4 million. It needs to be determined how to distribute the debt for the replacement of the dam.

Chris Anaradian interceded that the priority should first be to determine what is needed to replace the dam to better analyze what the replacement costs will be in the future and build a model on that data.

It was determined that the most beneficial course of action would be to assess the components, such as managing the reserve funds and determining the costs of dam replacement and prioritize them at a future meeting.

MOTION: Gordon Cresswell

SECOND: Wayne Dames

DECISION: Approved

Agenda Item 5 – Private and Public Project Update – Chris Anaradian

Chris Anaradian presented this list of project updates:

- There may be modifications to the road on the north side of the lake near the stable property.
- Southbank: the owner intends to build a senior housing project.
- 101/202 Intersection: joint plan with the City of Mesa to develop that area.
- Pedestrian Bridge at the Town Lake is started.
- Stadium Facility: Neil Calfee said ASU are rolling out their 9 field stadium concept at the next ULI meeting. The concept is to discuss redeveloping Karsten. They expect to have financial projections this week.
- Sunbelt Holdings landscaped their property.
- Flour Mill Project
- Chris Messer mentioned that Evergreen is putting a project together - more details to follow.

The Committee's next meeting will be July 13, 2011.

Meeting adjourned at 9:43 AM.

Prepared by: Kathy Wittenburg
Reviewed by: Chris Anaradian

A handwritten signature in black ink, appearing to read 'Chris Anaradian', written over a horizontal line.

Chris Anaradian
Secretary