

## SUB-REGIONAL OPERATING GROUP COMMITTEE

### MEETING MINUTES

March 8, 2023

#### MEMBERS

Brian Biesemeyer, Chair, Scottsdale  
Craig Caggiano for Tara Ford, Tempe  
Chris Hassert, Mesa  
Nazario Prieto, Phoenix  
Ron Serio, Glendale

#### OTHERS

Michelle Barclay, AMWUA  
Tara Gonzales, Phoenix  
Patty Kennedy, Phoenix

#### 1. Call to Order

Mr. Biesemeyer called the meeting to order at 12:00 p.m.

#### 2. Approval of the Minutes from the February 8, 2023 Meeting

Upon a motion by Mr. Hassert, a second by Mr. Prieto, and unanimous approval, the SROG Committee approved the minutes of the February 8, 2023 meeting.

#### 3. Set Next Meeting Date

The next meeting will be held on Wednesday, April 12, 2023, unless rescheduled to align with the possible change in date for the AMWUA Management Board meeting.

#### 4. Consideration of Items for Consent

There were no Items on the Consent Agenda.

#### 5. Watermark

The City of Phoenix and the SROG SPEC Committee have been meeting with a developer regarding a planned Watermark development in Tempe on a parcel of land that contains a 30 foot wide easement for the SRO.

Ms. Gonzales gave a brief summary of the three options for the SROG Cities to consider that resulted from conversations that developer:

1. Keep the easement as is and the developer will construct two towers on each side of the easement, open to the sky.

2. The developer will grant SROG a 40' easement, then bridge over the easement at a height that provides 30' vertical clearance over the easement, connecting the two portions of the building. In this scenario the developer also offered \$1 million for the right to bridge the easement to help offset the increased costs of repair on that portion of the SRO in the tighter space.
3. Relocate that portion of the SRO out of the building site. The cost estimate for moving the line is \$7-8 million. The developer has offered to contribute \$3 million toward that cost.

Ms. Gonzales stated that the consensus from the SPEC Committee is that relocating the line is not the preferred solution due to the high cost to the SROG cities. The recommendation from the SPEC Committee is that the SROG Committee consider the first two options.

Mr. Biesemeyer suggested going back to the developer with a counter offer of \$1.5 million for the right to bridge the easement. Mr. Hassert stated that Mesa would support that approach, and added that there be a requirement that there cannot be columns in the easement, it must be clear span so that the space can be used by SROG for future work. Mr. Prieto added that the 40' easement needs to go along the whole pipe, even where it bends as it turns around the building. Mr. Serio stated that if we do have to work on that portion of the pipe it will be disruptive to the tenants, and suggested there should be disclosure by the developer to potential tenants regarding the possibility for the level of disruption and mess that any future SRO repair would bring. Mr. Hassert stated that there should also be an indemnification for SROG to protect from accusations of damage to the building since it would be a high risk situation to repair the line in that location. Mr. Prieto stated that he feels that it helps the SROG cities that the SROG line was there first, and we should have the lawyers look at this. Mr. Biesemeyer said that we will ultimately have an agreement with the developer that could include all of this language, and clarify the legality of the risk that we are willing to accept.

Mr. Caggiano stated that Tempe supports the option that grants the 40' easement and bridging.

Mr. Biesemeyer stated that the SROG Committee directs the City of Phoenix to go back to the developer and ask for \$1.5 million for the right to bridge the easement, that there cannot be any pillars or intrusion into that easement, and that the easement be expanded to 40' for the entire length of the pipe. The developer is to communicate their response back to the cities with the intention of resolving this request as soon as possible. He also stated that before finalizing any agreement, there will need to be conversations about the amount of risk the SROG cities are willing to accept. There was unanimous agreement to this approach.

## **6. Meeting of the SROG Advisory Committee**

There was no discussion on this item.

## **7. Future Agenda Items/Comments**

There was no discussion on this item.

## **8. Adjournment**

Mr. Biesemeyer adjourned the meeting at 12:07 p.m.