

**MINUTES OF THE
REGULAR MEETING OF THE COMMON
COUNCIL OF THE TOWN OF STAR VALLEY**

**Tuesday, October 15, 2013 @ 6:00 pm
3675 East Highway 260, Star Valley, AZ
(Star Valley Town Hall)**

The Agenda for the meeting is as follows:

- CALL TO ORDER
- PRAYER was offered by Pastor Gary Bowser of Star Valley Baptist Church
- PLEDGE OF ALLEGIANCE
- ROLL CALL:

Mayor McDaniel X, Vice-Mayor Newland X, Council Member Hartwell X, Council Member Binney X, Council Member Coon X, Council Member Leis X, Council Member Henderson X.

- **GILA COUNTY SHERIFF'S OFFICE REPORT FOR SEPTEMBER, 2013.**

This report was delayed until November as there was no official from the Sheriff's Department available.

- **HELLSGATE FIRE DISTRICT REPORT FOR SEPTEMBER, 2013.**

Fire Chief Hatch gave the Hellsgate Fire District report for September, 2013.

- **CONSENT AGENDA ITEMS:**

All items listed under the Consent Agenda will be voted on with one motion. If discussion is desired regarding any Consent Agenda item, that item will be removed from the Consent Agenda and voted on separately.

A. Approval of the minutes from the Regular Council Meeting held on October 1, 2013.

B. Approval of Claims Payable from October 1, 2003 through October 15, 2013 for the General Fund and for the Water Department.

A motion to approve consent agenda items A and B was made by Council Member Hartwell, and was seconded by Council Member Henderson.

A roll call vote was taken:

Mayor McDaniel X, Vice-Mayor Newland X, Council Member Hartwell X, Council Member Binney X, Council Member Coon X, Council Member Leis X, Council Member Henderson X.
The motion was voted on and passed 7-0.

- **DISCUSSION ITEMS:**

1. **Town Manager's status report, including Town Water Department and Finance Department reports.**

Town Manager Tim Grier stated Robert Rippy of the Water Department and Chancy Nutt of the Finance Department would be providing reports, and that the Town Clerk would give an update on grants.

Town Manager Grier stated it was his hope that after the Council has heard the various reports it will be in a position to consider where to go next.

Water Department Superintendent Robert Rippy gave a report of the required activities involving the start-up of the water company in May, 2012, including the required paperwork, purchase of tools, establishing the required water quality tests, and transferring all of the wells into the name of the Town. Mr. Rippy stated it was a smooth transition and the water customers did not even know the system had actually changed hands.

Mr. Rippy gave the Council a brief outline of his normal day-to-day operations, including constant monitoring of the wells via computer. Mr. Rippy reported he has periodic tests that need to be provided to ADEQ for testing; that the Lead and Copper testing results were so good that ADEQ has determined the Town only has to do this testing tri-annually. ADEQ did the on-site inspection and its only comment was the request that the Town not store anything chemical at the Knolls' well site.

Concerning problems with the system, Mr. Rippy stated one of his earlier projects was to get the chlorinators running properly. The pump at Milky Way well site had to be replaced. Mr. Rippy stated he relies on the remote monitoring system to help him detect any issues so they can be addressed immediately. Mr. Rippy stated the Town has never been out of water since it took over the system.

Referencing completed "big projects", Mr. Rippy stated that the inter-tie with the Town of Payson has been the biggest and most rewarding project. This provides the back-up supply water supply for the Town in the event of an emergency or break-down in the system. This is essential in the event of a major problem with the Knolls well. Mr. Rippy also reported that the pressure release valve has been installed at the Quail Valley well site, which has increased the flow of water in this area.

Mr. Rippy also stated that the Milky Way Project (CDBG # 1) is currently underway. A new security fence has been put in place, and the system has been shut down in preparation of construction, which is scheduled to start October 21st.

With respect to the meter change-out project, Mr. Rippy stated it is approximately 30% completed at this time.

Mr. Rippy stated customer service is greatly improved from the Brooke era, and many customers have expressed their satisfaction with quick and local service.

Concerning projected projects, Mr. Rippy stated he is still working on the water master plan which is being prepared by Tres Rios Engineers. The preliminary plan should be ready in approximately 3 weeks. Mr. Rippy produced the water maps which have been prepared and pointed out that the 911 addresses still needed to be added.

Citing the CDBG # 2 project (Quail Valley Project), Mr. Rippy reported this project will involve putting a new bottom in the tank on this cite and use this for fire suppression, and then also placing a storage shed/workshop on this property for storage purposes for the water department.

Mr. Rippy then addressed the issue of running a water line from the water system down behind the property at 3615 E. Hwy. 260 to the current Town Hall. Tres Rios is doing the engineering on this possible project, and the estimated cost is \$80,000 to \$90,000.

In response to question from Town Manager Grier concerning the possibility of adding another well to the system, Mr. Rippy was adamant that this should be considered, specifically the Valley well.

Town Clerk Lois Johnson gave a status report on the 2013 CDBG. Ms. Johnson stated this grant is being bifurcated, with \$60,000.00 allocated to the Meals on Wheels/Senior Ridership Program, and the remainder of \$147,614.00 allocated to the Quail Valley well site project. ADOH has granted conditional reservation of funding for both projects, with requests on both projects for further documentation and information which must be provided to ADOH by November 7, 2013.

Finance Administrator Chancy Nutt presented her First Quarter Financial Report for Fiscal Year 2013/2014 (copy attached to these minutes). Ms. Nutt stated 25% of the fiscal year has now elapsed. Referencing page 3, All Fund Cash Position Review, Ms. Nutt pointed out that at the end of the first quarter the Town is \$141,767.62 revenue over expenditures, and projecting that out over the remainder of the fiscal year, the Town can anticipate ending the fiscal year \$390,934.02 revenue over expenditures. Using the Council's cash position of \$2,600,000.00 (corrected by Town Manager Grier in the report), the Town can anticipate ending the fiscal year with a cash position of \$3,290,934.02. Currently the Council is looking at \$590,934.02 for use on projects. This, of course, may well be adjusted depending on what projects the Council may decide to undertake during the current fiscal year.

Ms. Nutt gave a thorough explanation of each segment of the Financial Report. Ms. Nutt pointed out that currently the General Fund is producing \$37,400.00 revenue over expenditures each month. Ms. Nutt stressed that the Photo Enforcement Program continues to decrease by 5% per fiscal year.

Ms. Nutt reviewed the Water Enterprise Fund portion of the report, directing the Council to the Profit and Loss section which indicated the Water Department is currently operating at a net income of \$2,058 per month.

Ms. Nutt summarized her report by stating "overall the Town is in great fiscal shape." The Council indicated its appreciation for a job well done.

Town Manager Grier stated he hopes that with this information and data the Council will now be in a position to decide what projects it wants to undertake. Mr. Grier reiterated that photo enforcement continues to decline at 5% annually, and additionally a meeting is scheduled for October 24th with ADOT regarding the newly enacted laws regulating permits for photo enforcement. Mr. Grier encouraged the Council to bear in mind that photo enforcement pays a portion of the Town's law enforcement IGA with Gila County, so with declining revenues from photo enforcement this will have a greater impact on the Town's budget.

With respect to the water department, Town Manager Grier stated while this department is currently standing on its own, once the Town puts into the CDBG #1 project its pledged money, this will reflect an entirely different story. Mr. Grier further stated he does not believe the water department has to be solely supported by water rates, which to date it has been, but that the entire Town does receive benefit from the water department.

Town Manager Grier stated points of pride he sees for the Town is that it is debt free with a fund reserve of approximately \$2,800,000 currently, and that the Town continues to provide services to its citizens.

Mr. Grier stated staff is currently working on short-term and long-term planning, primarily with working on a 1/3/5 year plan for the water department and also for streets and roads. The progress on the streets and roads plan has been thwarted by failure to perform on the part of Mr. Barker, but attempts are being taken to get this going. Mr. Varker had indicated the Town should plan on spending approximately \$90,000 per year for 5 years for road preservation. This lack of good information has stalled moving forward with streets and roads projects.

Town Manager Grier stated the water master plan will require Council input. One issue the Council will need to address is whether or not it wants to increase the distribution of the water system, or remain status quo. Mr. Grier stated there is a parcel of real estate next to the Valley well that is for sale for approximately \$100,000.00. If the Council were to decide to add the Valley well then this piece of property might need to be purchased by the Town. Mr. Grier stated he is "very pleased" with the accomplishments of the water company to date. Mr. Grier stated the water department continues with well monitoring and with the assistance of Council Member Coon hopes to provide a comprehensive report to Council at some point in the future.

Mr. Rippey added that the water department had completed the Consumer Confidence Report this summer, and further that the Knolls tank clean-out is scheduled for October 21, 2013.

Mr. Grier summarized by stating it is his opinion the Council's task is to consider one to five year planning. Mayor McDaniel expressed appreciation for all the information provided during this meeting.

- **COMMENTS FROM THE PUBLIC**

During this portion of the meeting, members of the public may address the Town Council on items that are not on the printed agenda. Any remarks shall be addressed to the Council as a whole and not to any individual member. Speakers are limited to three (3) minutes per person unless additional time is granted by the Mayor. The Council may not discuss or act upon matters raised during public comments.

There were no public comments.

- **ADJOURNMENT**

A motion to adjourn the meeting was made by Council Member Henderson, and was seconded by Council Member Hartwell.

The motion was voted on and passed 7 - 0.

APPROVED:

Ronnie O. McDaniel, Mayor

Date: _____

ATTEST:

Lois V. Johnson, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the special meeting of the Town Council of the Town of Star Valley held on the 15th day of October, 2013. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 22nd day of October, 2013.

Lois V. Johnson, Town Clerk