

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

**Tuesday, December 3, 2019 at 6:00 pm
3675 East Highway 260, Star Valley, AZ
(Star Valley Town Hall)**

The Agenda for the meeting is as follows:

- PRAYER was offered by Pastor Dave Barber of Rim View Community Church
- PLEDGE OF ALLEGIANCE
- CALL TO ORDER

- ROLL CALL:

Vice Mayor McKinney X , Council Member Davis X , Council Member Armington X , Council Member Binney X , Council Member Rappaport X , Council Member McDaniel X , Mayor Coon X .

- **GILA COUNTY SHERIFF'S OFFICE REPORT FOR NOVEMBER 2019**

Lt. Scott with the Gila County Sheriff's Office was unable to attend.

- **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 November 5, 2019.

B. Approval of Claims Payable from November 1, 2019 through November 30, 2019 for the General Fund and for the Water Department.

A motion to approve consent agenda items A and B was made by Council Member McDaniel and was seconded by Council Member Davis.

A roll call vote was taken:

Vice Mayor McKinney X , Council Member Davis X , Council Member Armington X , Council Member Binney X , Council Member Rappaport X , Council Member McDaniel X , Mayor Coon X .

The motion was voted on and passed 7 - 0.

- **DISCUSSION ITEMS:**

- 1. Discussion and possible action regarding taking over Sky Run well.**

Mayor Coon reported there are two Sky Run wells which are Sky Run #1 and Sky Run #2. The well being discussed is Sky Run #2. According to ADWR records Sky Run #2 is a non-exempt commercial well that was drilled in 2001 to a depth of 273 feet with a pumping capacity rated at 50 gallons per minute. The resort changed ownership in December 2016, concluded Mayor Coon. Town Manager Grier stated that Water Operator Dean Shaffer is currently running the Sky Run system and is familiar with it. Mr. Grier explained Sky Run recently changed hands with Duane Brazil as the new owner. The Town began conversations with Mr. Brazil on the PW1/PW2 easement need and he is willing to assist and give the electrical easement. One thing the Town was willing to trade for the easement was to hook him up to water and to bear the expense of doing so. It isn't a great expense at \$1,400.00 or \$1,500.00. It is the Town's understanding, reported Mr. Grier, that there is a two inch line that already runs down to one of the connections on an existing easement. The Town agreed to pay the labor and the parts for hooking him up or having that water available to him. As conversations continued, Mr. Brazil approached the Town about just taking over his water system as he does not want the headache of running his own system. Mr. Brazil is willing to quitclaim the existing well and the water tank, reported Mr. Grier. The Town would be responsible for the infrastructure up to the meter and after that it would be the responsibility of Sky Run. It's really a deal that doesn't have a downside because Mr. Brazil is willing to give the Town the well and storage tank that can be added to the water system, and additionally he becomes a commercial water customer. That was the incentive, stated Mr. Grier, in establishing the new commercial water rates. Sky Run will be the first RV park to the Town's water customer base, concluded Mr. Grier.

Mayor Coon asked if PW1 and PW2 are already connected into the Sky Run system. "No" answered Water Operator Dean Shaffer. They would be operating independently. One piece of the puzzle that is not done is how they are going to hook together. Town Manager Grier added the Town has been told there is a two inch line and the location needs to be identified. They are supposed to be able to be hooked together fairly easy, stated Mr. Shaffer. Council Member Rappaport asked for a guesstimate of the cost to hook them up. Mr. Shaffer responded he has estimated about \$2,500.00 to make those connections. Council Member Rappaport asked if there is some way to shut it off. Mr. Shaffer answered there would be isolation valves installed. Council Member Binney asked if by acquiring another well would a level four inspector be required. Mr. Grier explained he spoke with Council Member Binney about being contacted by ADEQ regarding their requirement for the Town to have a relief operator. ADEQ requires the Town to have a certified level three operator, which Mr. Shaffer is, and a relief operator of at least a level two. With the help of Mr. Shaffer, the issue was solved by making a deal with Doug Thornton, a level four operator. Mr. Grier then referred back to Council Member Binney's question if adding another well would require a level four inspector. Mr. Shaffer responded that won't change and it won't increase the plant rating. Council Member Binney asked at what point does it. Population would drive that, answered Mr. Shaffer, and he does not see the population getting to a point of being a grade four system.

Council Member Binney asked if a back flow will be put in. Mr. Shaffer answered it will be required. Council Member Binney questioned if a two inch line will be enough water flow for the twenty people and firefighting. Mr. Shaffer answered there is no firefighting up there and that it is not required because they are not large enough. They have a 10,000 gallon tank, added Mr. Shaffer. Council Member Binney asked if the Town will inherit the 10,000 gallon tank. "Yes," answered Mr. Shaffer. The Town

would get all of the facility – the tank, building, pump system, well and the lines that go between the wells. Council Member Binney stated essentially the Town would have 10,000 gallons at elevation. “Yes,” confirmed Mr. Shaffer. Council Member Binney asked if the Town could back feed all the way to the Knolls if it had to. Mr. Shaffer responded he would have to check that elevation and added the park wells back up the Knolls well. Mr. Grier reported the park well could indefinitely back up the Knolls well. Council Member Binney stated the Town doesn’t have to spend much more money on infrastructure. Mr. Shaffer answered not for wells. The distribution system infrastructure needs to get replaced and to grow out and hook-up more customers additional infrastructure is needed. Town Manager Grier stated the Town would have stopped looking at wells long ago if it were just looking at existing customers. The additional wells allow the Town to provide water for the future needs of Star Valley. The Town has enough water for existing customers and more, and is securing water for generations to come, concluded Mr. Grier. Council Member Davis asked the age of the tank. Mr. Shaffer answered he does not know. It is fiberglass, which doesn’t rust or corrode, and a new pump was installed in 2016. Council Member Davis asked if it would be just one hook up. Mr. Shaffer answered there would be one master meter. Council Member Davis stated he likes it and would definitely support it.

Council Member Armington asked for the depth of the Sky Run well. Mayor Coon answered 273 feet. Council Member Armington then asked for the depth of PW1 and PW2. Mr. Shaffer responded the big one is about 880 feet and the little one is about 300 feet. Council Member Armington asked if they are sharing the same aquifer. “Most likely,” responded Mr. Shaffer. Mayor Coon stated if the Tower well is pumped again it will affect PW1 and PW2. Discussion ensued regarding various wells. Council Member Armington stated wells act like a funnel and dry up other wells. “It’s a possibility,” responded Mr. Shaffer. He does and will continue to rotate them and does not need to run them all at one time. If the water table keeps declining the Town is still in good shape with some of the other deeper wells, stated Mr. Shaffer. Town Manager Grier added the PW1 and PW2 wells would not affect surrounding wells unless the Town pumped the heck out of them. The need isn’t being increased other than the twenty customers. With Blue Ridge water, it is valid speculation the Town of Payson will quit running the Tower well because of the expense. The Tower well will cease being the threat it has in the past because of Blue Ridge water, concluded Mr. Grier. Council Member Binney asked if the wells are turned on manually or remotely. Mr. Shaffer responded he does it by pressure and he does not physically have to turn them on and off. Ultimately you want to be twelve hours on and twelve hours off because there is no need to overwork just one well. Council Member Binney asked if there is any room for a Knolls type tank at the RV park so it can be used for back-up water. Mr. Grier responded he doesn’t think so and they would not aesthetically love it. Mr. Shaffer added there is no room for a much larger tank.

Council Member McDaniel stated it sounds like a good acquisition. Council Member Rappaport stated she agrees. Mr. Shaffer stated we need to know for sure if we want to keep talking to the owner about moving forward. A big piece of the puzzle is the line – is it there and are we going to be able to make that part of the transition. It could be a big cost, concluded Mr. Shaffer. Mayor Coon asked for confirmation that the Sky Run well the Town is interested in is by the gate on the right hand side. It is right before the gate on the right, answered Mr. Shaffer. Mayor Coon stated that Sky Run 1 is down more by Highway 260 and is a dead well. Mr. Shaffer stated he has not asked about any details on that well and it is not being offered. Council Member Rappaport asked if the Town’s commercial rates are high enough to provide good money for maintenance over the long term. Town Manager Grier answered a careful analysis was done, but he doesn’t know about the long term. The commercial rate has to be one that the Town doesn’t lose money on, but at the same time isn’t so high as to deter the commercial customer. The Town can always change water rates. Mr. Grier reported the cost to do a water rate analysis is \$25,000.00. It would take the Town fifty years to make up this fee, so that didn’t make sense.

The disclaimer is the Town has two non-specialists trying to figure out what the water rates are going to be. Council Member Davis stated the Town is still fifty percent cheaper than Payson. Council Member Rappaport stated she just wants to make sure it's fluid. Mr. Grier responded it's a complicated answer. Do we want to be for profit, or do we want to break even? Right now, the water company is too much in the red and the Town needs to look at making a change to the residential rates at some point. Council Member Rappaport asked if council can always come back to the table and talk about it. Mr. Grier stated his recommendation is for council to look at incremental raises to soften the blow. If that is not done, then we have to accept that the Town is going to have a water system that is being subsidized by the General fund. Mr. Shaffer recommended doing a three or five year plan. Mr. Grier stated that maybe with increasing the customer base the water system may become more profitable, so the existing residential water users won't have to be charged as much. Mayor Coon asked if a pump goes out would the Town have to go into the general fund to pay for it. Mr. Grier answered the water fund has been subsidized from pretty much day one. The acquisition of the water system was for the Town to be able to control its own fate and put itself in a position to provide water. The next steps for the Town are to identify the two inch line, survey the property, do a quitclaim deed, and write up a contract agreement, explained Mr. Grier. He just wants to make sure everyone is well informed and on board.

A motion to continue to negotiate with Duane to acquire the Sky Run well and infrastructure was made by Council Member Binney and was seconded by Council Member Davis.

Mr. Shaffer mentioned the location of the two inch line needs to be pinned down because it could get spendy. Town Manager Grier added if the two inch line isn't there the Town will take a step back from the deal.

A roll call vote was taken:

Vice Mayor McKinney Yes, Council Member Davis Yes, Council Member Armington Yes, Council Member Binney Yes, Council Member Rappaport Yes, Council Member McDaniel Yes, Mayor Coon Yes.

The motion was voted on and passed 7 – 0.

- **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.

The Mayor opened this portion of the meeting up for public comments.

There were no comments and the Mayor closed this portion of the meeting.

- **ADJOURNMENT**

A motion to adjourn the meeting was made by Council Member Armington and was seconded by Council Member Davis.

The motion was voted on and passed 7 – 0.

APPROVED:

Gary Coon, Mayor

Date: _____

ATTEST:

Edie Chapin, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular meeting of the Town Council of the Town of Star Valley held on the 3rd day of December 2019. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 4th day of December 2019.

Edie Chapin, Town Clerk