

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

**Tuesday, July 2, 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.

- **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 June 18, 2013.**
- B. **Approval of Claims Payable from June 16, 2013 through June 30, 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 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. **Discussion and possible action regarding the Town's fund reserve position and money available to be spent on special projects during the 2013/2014 fiscal year based on Council decision on the fund reserve. Town Manager Grier and Finance Administrator Chancy Nutt to make presentation.**

Town Manager Grier reminded the Council that the fund reserve balance it established for fiscal 2012/2013 was \$2.6 million. Mr. Grier pointed out that the fund reserve position and choosing of projects go hand in hand. Mr. Grier directed Council to review the financial packet handout, specifically the page

containing Large Project Expenditures. Mr. Grier focused on “Staff Recommended Projects”, and pointed out that some of these items were suggested by various Council Members. Mr. Grier further pointed out that the sum of \$510,000 is approximately what the Council will have to spend on projects for fiscal year 2013/2014 if Council opts to retain the capital fund reserve at \$2.6 million.

Finance Administrator Nutt reviewed with the Council the financial data provided at this meeting (copies of which are attached to these minutes). Ms. Nutt pointed out that the end of year fund balance for fiscal 2012/2013 was \$2,751,553.16, which was \$151,553.16 over the \$2.6 million fund reserve position set by the Council. Ms. Nutt reviewed the numbers contained in the financial data provided. Ms. Nutt pointed out that the sum of \$151,000 will be carried over in addition to the \$2.6 million.

Town Manager Grier stated that in fiscal 2012/2013 the Council had pledged \$135,000 to the Milky Way Project. Now that further planning has been done on that project, it appears the Town will only have to fund \$108,000.00 for this project. Although the money was pledged in the last fiscal year, it has now been paid out yet and will actually be paid during the current fiscal year.

Town Manager Grier stated the numbers presented were broken down into two categories: (1) the day-to-day operation of the Town; and (2) large projects expenditures. Mr. Grier pointed out that during last fiscal year \$359,130 was paid out for large projects. Based on this number, coupled with the fact that the Town actually came out \$151,553 over the projected fund balance, he encouraged the Council to use these numbers in determining the amount of fund reserve balance to establish for the current fiscal year. Assuming the Council stays with the \$2.6 million amount, and that the staff recommended projects in the amount of \$363,863 were approved by the Council, this would leave approximately \$146,820 to spend on large projects during fiscal 2013/2014. Mr. Grier discussed the staff recommended projects and their projected costs. Mr. Grier stated staff’s goal this year is to identify projects, prioritize projects, put price tags on projects, to look at revenues and expenditures, and give the Council an idea/guide what it can spend and provide the Council with projects staff believes to be valuable. Mr. Grier emphasized that the Council ultimately makes the decisions, and he said it now time for the Council to determine the fund reserve it wants to maintain for fiscal 2013/2014. Thereafter the Council will need to decide what projects to undertake, and their priority.

Council Members Leis and Hartwell stated they believed the fund reserve should remain at \$2.6 million.

Council Member Binney expressed his feeling that the Town does not need a fund reserve of \$2.6 million; that it is Town money and should be spent on the public. However, he did agree with the projects on the staff recommended projects list. Mr. Binney suggested that the well on the property at 3615 E. Highway 260 should be checked out and a study made of the buildings to determine their value and potential use. Council Member Binney gave an update on the Sprague Crossing meeting, and stated it is his belief a feasibility study should be done to determine if a low water crossing should be considered. Mr. Binney also requested consideration be given to authorizing funds for the Beautification Committee to purchase plants, and that he would have more information on this shortly.

Council Member Henderson stated she was in agreement with maintaining the fund reserve at \$2.6 million.

Council Member Coon stated he is in agreement that the well and buildings on the newly purchased property should be checked out. Council Member Coon also suggested checking into the possibility of adding users to the water system.

Council Member Leis expressed his agreement that future planning needs to be done for the property at 3615 E. Highway 260, and also that Sprague Crossing issues needs to be resolved.

Council Member Binney expressed his belief that the majority of the residents of Star Valley want to remain on individual wells and would not be interested in connecting into the Town water system.

Mayor McDaniel he agreed with maintaining the fund reserve balance at \$2.6 million. Mayor McDaniel suggested that Robert Rippy, Town Water Operator, take the responsibility of checking out the well at 3615 E. Highway 260. The Mayor stated the Sprague Crossing meeting was a good meeting and resulted with the Town Manager agreeing that the Town would assume the responsibility of grading the crossing, and that the grading has already been done. The Mayor also requested that Mr. Rippy find out how much Payson would charge the Town for back-up water.

A motion that the Council establish the Town's cash reserve position for the end of fiscal 2013/2014 at \$2.6 million was made by Council Member Leis, and was seconded by Council Member Hartwell. The motion was voted on and passed 7 – 0.

2. Discussion and possible action establishing Town projects the Council wishes to undertake in 2013/2014, and further establishing the priority of such projects.

Mayor McDaniel stated this discussion item had been addressed together with discussion item number one.

Town Manager Grier pointed out that the water master plan is still pending, and once that is produced it may generate other potential projects. Town Manager Grier suggested that the Council Members review and consider the staff recommended projects, as well as the projects discussed at this meeting, and that this discussion item will appear on the next meeting's agenda for further discussion on projects.

3. Status report on the Milky Way Well Site Project. Town Clerk Lois Johnson and Water Department Operations Superintendent Robert Rippy to make presentation.

Water Department Operations Superintendent Rippy stated the Milky Way Well Site is the "big project" for the summer. Mr. Rippy stated the plan is to "upsized" the pressure reducing valve at the Quail Hollow Site by the end of September, prior to breaking ground on the Milky Way Well Site. Mr. Rippy reported he is currently working with Gila County on the floodplain plan, and this should be approved any day. The Approval to Construct application has already been submitted to ADEQ and should be issued within six to eight weeks. Per the ADOT requirements, the contractor for the project will be selected by the end of September, and thereafter the materials will be ordered. The anticipated plan is that construction on the project will be done between October, 2013 and January, 2014. Mr. Rippy stated he is looking at a March, 2014 startup date for this well site.

Mr. Rippy stated the plan is to install two 25,000 gallon tanks at this site, with a "future ready to go" for a third 25,000 gallon tank; the tanks will have a dual start soft booster motors with a repetitive setup; a propane backup generator for the boosters; and two bladder tanks. Two components which have recently arisen are: (1) Gila County requires that one of the well casings needs to be raised; and (2) one of the well seals.

Council Member Binney asked if it would be cost effective to obtain a third tank, for placement at the Quail Hollow Site, at the same time as the scheduled two for the Milky Way Site. Mr. Rippy stated he would check into the cost of obtaining a third tank. Council Member Binney inquired as to the production of this well, and Mr. Rippy responded that he is checking into whether or not he could rehab this well to make it more productive.

Town Clerk Johnson gave an update on progress on the time requirements on this project. Ms. Johnson explained that when ADOH awarded the monies for this project it imposed very stringent timelines for the various stages of the project. ADOH is adamant that if one deadline is missed they will pull the money. To date all deadlines have been met ahead of time, and it is the plan of town staff to continue to do so. Tres Rios has been hired as the engineer on the project, and they have been very

helpful and fully cooperative. The next step is to provide ADOH by August 2, 2013 with an RFP for the contractor, and then by August 15, 2013 the contract has to be awarded. The Town is aware that ADOH will not grant another extension for completion of the project. Ms. Johnson assured the Council that Robert Rippey, herself, and Tres Rios are all working together to make this a successful project.

- **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.

Council Member Barbara Hartwell stated the Hellsgate Ladies Auxiliary is having a bake sale at Tonto Village on Saturday, July 6, 2013, and all proceeds will be donated to the fund for the 19 Yarnell Hotshots who were killed in the Yarnell fire. Donations can also be made through Hellsgate Fire Department. Council Member Hartwell encouraged interested persons to make either monetary donations or baked goods for the bake sale.

Council Member Gary Coon stated the Town Manager had arranged for Ezell Lane to be graded for use as an emergency exit out of Pine Ridge and the Knolls. Council Member Coon stated there are additional roads which he would also like to see made accessible for emergency exits.

The Mayor then closed the public comments portion of the meeting.

- **ADJOURNMENT**

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

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 regular meeting of the Town Council of the Town of Star Valley held on the 2nd day of July, 2013. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 10th day of July, 2013.

Lois V. Johnson, Town Clerk