

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

**Tuesday, January 20, 2015 @ 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 Sister Allene Hill of the Church of Jesus Christ of Latter Day Saints
- PLEDGE OF ALLEGIANCE
- ROLL CALL:

Mayor McDaniel X , Vice-Mayor Binney X , Council Member Hartwell X , Council Member Henderson X , Council Member Coon X , Council Member McKinney X , Council Member O'Connor X .

- **GILA COUNTY SHERIFF'S OFFICE REPORT FOR DECEMBER, 2014.**

Lt. Tim Scott of the Gila County Sheriff's Office gave the report for December, 2014.

- **HELLSGATE FIRE DISTRICT REPORT FOR DECEMBER, 2014.**

Fire Chief Dave Bathke of Hellsgate Fire District gave the report for December, 2014.

- **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 January 6, 2015.

B. Approval of Claims Payable from January 1, 2015 through January 15, 2015 for the General Fund and for the Water Department.

A motion to approve consent agenda items A and B was made by Council Hartwellartwell, and was seconded by Vice-Mayor Binney.

A roll call vote was taken:

Mayor McDaniel X , Vice-Mayor Binney X , Council Member Hartwell X , Council Member Henderson X , Council Member Coon X , Council Member McKinney X , Council Member O'Connor X .

The motion was voted on and passed 7-0.

- **DISCUSSION ITEMS:**

Mayor McDaniel stated he was going to make a change in the Discussion Items, and discussion item number 8 would now become discussion item number 1.

- 1. Discussion and possible action concerning Resolution No. R 15-02 captioned as follow: A Resolution of the Mayor and Common Council of the Town of Star Valley, Arizona, Appointing Jon R. Cline as a Director of the Rim Country Educational Alliance Separate Legal Entity to Replace Stephen A. Drury.**

Mayor McDaniel introduced Jon R. Cline to the Council, and Mr. Cline gave his background and qualifications to serve as a director of the Separate Legal Entity.

Town Manager explained that the Council had voted Mr. Cline in as a director at the last Council meeting, but the Separate Legal Entity needs this action in the form of a resolution.

A motion that the Council adopt Resolution No. R 15-02 – A Resolution of the Mayor and Common Council of the Town of Star Valley, Arizona, Appointing Jon R. Cline as a Director to the Rim Country Educational Alliance Separate Legal Entity to Replace Stephen A. Drury was made by Council Member Coon, and seconded by Council Member Hartwell.

The motion was voted on and passed 7 – 0.

- 2. (Formerly discussion item number 7.) Discussion and possible action concerning Resolution No. R 15-01 captioned as follows: A Resolution of the Mayor and Common Council of the Town of Star Valley, Arizona, Re-Appointing Ronnie O. McDaniel as a Director to the Rim Country Educational Alliance Separate Legal Entity for an additional three year term.**

Town Manager Grier suggested the Council consider this discussion item next as it too related to the Separate Legal Entity, and required a resolution as in discussion item number 1, above.

A motion that the Council adopt Resolution No. R 15-01 – A Resolution of the Mayor and Common Council of the Town of Star Valley, Arizona, Re-appointing Ronnie O. McDaniel as a Director to the Rim Country Educational Alliance Separate Legal Entity for an additional three year term was made by Council Member Henderson, and was seconded by Council Member Coon.

Mayor McDaniel abstained from voting.

The motion was voted on and passed 6 – 0.

- 3. (Formerly discussion item number 1.) Town Manager’s Five Minute Report, and possible discussion.**

Town Manager Grier gave a brief summary of the day-to-day duties of each member of staff. Mr. Grier also reported that the cabanas are being installed at the park. Mr. Grier reminded Council and members of the audience that the Pony Express barbecue will be held Wednesday, January 28th, beginning at Noon at the park. Mr. Grier stated that Safeway is contributing much of the food for the barbecue. Mr. Grier pointed out that a privacy fence has been erected between Lazy D and the park, and a white fence has also been erected from the barn to Mr. Coon’s property line. In early spring the irrigation lines will be installed and grass will be planted.

Town Manager Grier stated at the next Council meeting Finance Administrator Chancy Nutt will present the Town’s new website, as well as give a quarterly financial report.

Referencing the Sprague Crossing and the Moonlight Crossing, Town Manager Grier reported that

the Army Corp of Engineers has raised the issue that this area is inhabited by the narrow-headed garter snake, which is an endangered species. A biological study will be required before a permit to proceed will be issued by the Army Corp of Engineers. Mr. Grier stated the study will be conducted for both projects as this should save month and time. Dave Dirren of Sunrise Engineering stated the Army Corp of Engineer will inspect the area to determine whether or not construct would disturb any of this endangered species, even though it is doubtful there are any of these snakes in the subject area.

4. (Formerly discussion item number 2.) Discussion and possible action to adjourn into Executive Session, pursuant to:

A.R.S. § 38-431.03.A.3 – Discussion or consultation for legal advice with the attorney or attorneys of the public body.

A.R.S. § 38-431.03.A.4 – Discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body’s position regarding contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation.

Discussion regarding proposals and negotiations regarding easement issues related to the hook-up to the PW-1 and PW-2 wells to the Milky Way well site.

A motion to adjourn into executive session was made by Council Member Coon, and was seconded by Council Member Hartwell.

The motion was voted on and passed 7 – 0.

- **ADJOURN INTO EXECUTIVE SESSION.**
- **REGULAR MEETING CALLED BACK TO ORDER.**

5. (Formerly discussion item number 3.) Discussion and possible action directing the Town Attorney to continue negotiations regarding easements.

A motion that the Council direct the Town Attorney to continue negotiations regarding easements was made by Vice-Mayor Binney, and was seconded by Council Member Hartwell.

The motion was voted on and passed 7 – 0.

6. (Formerly discussion item number 4.) Discussion and possible action regarding purchase of one or two wells from Roy Haught.

Town Manager Grier informed the Council that it could use the FY 2015 CDBG monies for purchase of the Haught wells and not for the PW-1 and PW-2 wells project. Mr. Grier stated it is his belief that it is wise for the Town to pursue whatever water resource is available. Mr. Grier stated the Town does have water, but it also has concerns about water. Mr. Grier recommended that the Council look at what it has to hand off to future councils and to be good stewards.

Town Manager Grier stated the first well is located at the old Lumbermen's and would include the well and a small piece of property. This well could be connected to the Milky Way well site and hopefully also to the Quail Valley well site, which means water could be pumped in both directions. Mr. Haught is asking \$100,000.00 for this well. This well pumps 60 gpm and could possibly do up to 100 gpm. However, in order to test the full capacity of the well a larger pump is required and this would cost \$2,500.00. Mr. Haught is not willing to invest this money until he knows that the Council is seriously interested in purchasing the well. Mr. Grier stated it would cost approximately \$20,000.00 to hook this well up to the current water system, which would include increasing the size of the current piping from 2" to 8".

Town Manager Grier stated the second well for sale is located behind the Circle K in Star Valley, for which Mr. Haught is asking \$140,000.00. This would include 1.38 acres of land and the well, which currently pumps at 60 to 85 gpm. There is a domestic water system in place at this well which provides water to Circle K and is used as a backup to the adjoining mobile park. Mr. Grier stated it would cost approximately \$30,000.00 to run the line to the fire hydrant which is a distance of approximately 975 feet.

Town Manager Grier stated that purchasing these two wells would provide an additional 160 gpm to the current water system. Mr. Grier also stated there is a cost sharing agreement for maintenance between Circle K and Mr. Haught which would have to be reviewed if the purchase is considered. Mr. Grier suggested the Council consider pursuing the PW-1 and PW-2 hook-up with Town general funds, and then use the CDBG funds to purchase the two Haught wells.

Extensive discussion followed concerning the advantage of purchasing the two Haught wells, the possibility of utilizing the fire hydrant plan, if the Town should purchase the larger pump to test the Lumbermen's well, the method of charging the trailer park for water usage, the possibility of hooking Lumberman's well into the exiting 2" pipe for the initial period and later convert to 8" pipe, and the advantages to the Town of purchasing these two wells.

A motion that the Council instruct the Town Manager to continue investigating the possibility of purchasing the Lumbermen's well and the well behind the Circle K, and that the Town purchase the \$2,500.00 pump to test the Lumbermen's well was made by Vice-Mayor Binney, and was seconded by Council Member Hartwell.

The motion was voted on and passed 7 – 0.

7. (Formerly discussion item number 5.) Discussion and Public Hearing regarding the use of FY 2015 CDBG funds.

Alan Urban stated he is employed by Central Arizona Governments ("CAG"), and that he also works for the Town in facilitating the CDBG program. Mr. Urban stated there are two primary principles connected with CDBG: (1) provide benefit within the community to low to moderate income members of community; and (2) provide jobs with the projects; hiring local is encouraged.

Mr. Urban stated the low to moderate income level is the "tipping point" and must be met at all times. However, there are a few exceptions to this rule, such as senior services and handicap services. Mr. Urban stated any water project selected must serve the low to moderate income area in order to meet the low to moderate income qualification. Mr. Urban also stressed that CDBG is always done in a public forum, which means all discussions and decisions are done in a public forum. Public notification is not just given at the beginning of the process, but is carried all the way through to the completion of the project. The entire process is transparent.

Mr. Urban stated the selection of a project is done through two public hearings. The first hearing does not involve any decision, but is open discussion between the Council and the public, and a list of projects is compiled. The selection of a project or projects is done at the second public hearing. Mr. Urban recommended the Council compile a list of at least three potential projects, so if the first one or two fall through, then the third project can be chosen and there will be no delay in the process. There is the possibility of a third hearing when a complete change of plan comes about and a whole new plan is contemplated. This would, of course, be a public hearing.

Mr. Urban informed the Council that once a project is selected, he then writes the application and submits it to ADOH for review and approval. If approved, ADOH advises the Town of its allocation of funds for the selected project. Mr. Urban said since the Town is on a two-year cycle, it can normally expect about \$225,000.00 in funding, less CAG and ADOH expenses.

Mr. Urban then discussed the list of categories from which projects can be selected. Mr. Urban recommended that the Council prepare a comprehensive list of projects from which it will pick the top priority projects at the next public meeting. Mr. Urban also discussed those projects which ADOH has designated high priority versus medium to low priority, and provided the Council with copies of this list. Mr. Urban recommended the Council focus on the high to medium priorities.

Mr. Urban also discussed the State Special Project grant which has a limit of \$300,000.00, but pointed out that this is a competitive grant.

Town Manager Grier stated the Council's goal for this meeting is determine the top projects for the CDBG funds and then choose the top three. Mr. Grier also cautioned that the State Special Project grant holds no guarantees that the Town would receive anything as it is very competitive.

Discussion followed as to the projects to select and their priority, with the tentative decision that the purchase of the two Haught wells should be first, followed by the PW-2 well hook-up, and then continuation of funding to the Meals on Wheels program. Mr. Urban confirmed that the Council can choose more than three projects for consideration. Mr. Urban cautioned that if they consider Meals on Wheels for funding, under the terms of the current CDBG funding, the Town has agreed to fund this program at a 25% increase per cycle, and warned that ADOH likely would not approve funding Meals on Wheels again with the 2015 funds. Council Member Henderson pointed out the high priority items, including water system improvements, road and street improvements, flood and drainage improvements, services for seniors, and equipment used in the provision of any of "the above" in that category, any or all of which could be considered for funding under the 2015 funds.

Mayor McDaniel then opened this discussion item up for public hearing.

Dave Dirren, of Sunrise Engineering, pointed out discussion so far had included size of lines for fire flow, as well as adding new wells for supply of water, but discussion has not been had concerning adding more storage. Mr. Dirren stated storage is a key component to the water system and consideration should be given to obtaining additional storage for the two wells being discussed (Lumbermen's and Circle K).

There were no additional comments, and the Mayor closed the public hearing portion of the meeting.

8. (Formerly discussion item number 6.) Discussion and possible action regarding status report of "Welcome Signs" committee.

Council Member Coon stated the committee had met on January 15th with the mason who could do the signs and brick work. The committee selected two locations for signs – one at Highline and the other at Lion Springs Road. Council Member Coon stated applications for the two “basic designs” for the signs have been submitted to ADOT for approval. If approval from ADOT is received, then further details of the signs will need to be addressed.

- **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, and the Mayor closed the public comments section of the meeting.

- **ADJOURNMENT**

A motion to adjourn the meeting was made by Council Member Coon, 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 regular meeting of the Town Council of the Town of Star Valley held on the 20th day of January, 2015. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 29th day of January, 2015.

Lois V. Johnson, Town Clerk