

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

**May 4, 2021 at 4:00 pm  
3675 East Highway 260, Star Valley, AZ  
(Star Valley Town Hall)**

The Agenda for the meeting is as follows:

- PRAYER was offered by Council Member Davis.
- PLEDGE OF ALLEGIANCE
- CALL TO ORDER
- ROLL CALL:  
Vice Mayor McKinney X, Council Member Davis X, Council Member Armington X,  
Council Member Binney Excused, Council Member Rappaport (appeared telephonically) X,  
Council Member McDaniel X, Mayor Coon 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 April 20, 2021.**

**B. Approval of Claims Payable from April 16, 2021 through April 30, 2021 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 Excused, Council Member Rappaport X, Council Member McDaniel X, Mayor Coon X.**

**The motion was voted on and passed 6 - 0.**

- **DISCUSSION ITEMS:**

1. **Discussion and possible action regarding a contribution by the Town to the Payson Pro Rodeo Committee for the spring rodeo requested by Council Member McKinney.**

Mayor Coon reported that council agreed to contribute \$1,500.00 to the fall rodeo and due to COVID it was questionable if the spring rodeo would be held. Vice Mayor McKinney reported the spring rodeo will go on and the Payson Pro Rodeo Committee would like to have their usual contribution from the Town. Vice Mayor McKinney advocated this event supports the history and culture of our area and he thinks it's valuable to contribute and help support it. Mayor Coon asked if attendance will be restricted because of COVID. Vice Mayor McKinney responded he doesn't think so.

**A motion to approve a contribution to the Payson Pro Rodeo Committee in the amount of \$1,075.00 for the spring 2021 rodeo was made by Council Member Davis and was seconded by Council Member McDaniel.**

**A roll call vote was taken:**

**Vice Mayor McKinney Yes, Council Member Davis Yes, Council Member Armington No, Council Member Binney Excused, Council Member Rappaport No, Council Member McDaniel Yes, Mayor Coon Yes.**

**The motion was voted on and passed 4 - 2.**

2. **Discussion and possible action regarding attendance at the 2021 League of Arizona Cities and Towns Annual Conference.**

Mayor Coon stated that Town Clerk Chapin will need to know who is interested in attending. Council Member McDaniel asked if Star Valley benefits from sending council members to the conference. Town Manager Grier answered it is what the council members invest when they attend. The good information is there but it is also hard work. Conference sessions have to be picked wisely and chosen with bringing back information that can be used. If council does that, concluded Mr. Grier, the conference is good. Council Member Davis reported he has attended numerous times over the years and he thinks it's very valuable to go as a council person. It's a good experience and he always learns something.

**A motion to attend the 2021 League of Arizona Cities and Towns Annual Conference was made by Council Member Armington and was seconded by Council Member Davis.**

**A roll call vote was taken:**

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

**The motion was voted on and passed 6 - 0.**

**A roll call vote was then taken to determine the council members who would like to attend:**

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

3. **Water operator report by Dean Shaffer.**

Assistant Town Manager Nutt stated she would like to start with an overview before Mr. Shaffer begins. Ms. Nutt reported the Town purchased the water system from Brooke Utilities in May of 2005. The system was pretty depleted and there were a lot of outages. The Knolls and Quail Valley wells were

the two work horses of the system. The Milky Way well was offline, pump houses were heavily weathered and there were electrical issues. To ensure reliability the Town immediately began making improvements to the system. Ms. Nutt explained the Town's water system has three different pressure zones and they are important as she talks about where the wells are located, where the Town has looked to develop water, and where the Town plans on distributing water currently and in the future. The two key improvements that were made to the system to ensure reliability were a back-up water supply between the Town of Star Valley and the Town of Payson, and pressure reducing valves that allowed to loop different zones of the system. Dean Shaffer explained the importance of the system being tied in with the Town of Payson as a back-up water supply is that if something were to seriously happen the Town could get water from the Town of Payson fairly quick. Vice Mayor McKinney asked if that is reciprocal. Mr. Shaffer responded it's a one-way system because the water can't go back through a backflow. The Town of Payson back-up didn't exist under Brooke Utilities, reported Mr. Shaffer, and the Knolls well fed all of Star Valley at that time. This connection has become less important because of all of the improvements the Town has made to the existing system, concluded Mr. Shaffer.

Assistant Town Manager Nutt explained that one of the ways the Town began the process of becoming less reliant on a back-up system was looping zone one and two by installing a pressure reducing valve. An eight inch connection replaced a small two inch connection at the Quail Valley well site to provide much more reliable volume, added Dean Shaffer. Town Manager Grier asked if water could be pumped from Quail Valley to the Knolls as a back-up using the pressure reducing valve. Mr. Shaffer replied the well could be connected straight to the blowoff and water could be pumped from the Quail Valley well all the way to the Knolls tank. It is just one other option the Town has if the main well at the Knolls went down. Water can be moved, clarified Mr. Shaffer, from the lower pressure zone to the Knolls upper pressure zone. The connection is not there but it wouldn't take long to put it in and hook it up, concluded Mr. Shaffer.

After establishing how water could be moved from one part of the system to the other, reported Assistant Town Manager Nutt, the focus was then on getting water into those areas and ensuring that we had storage, reliable pumps and reliable wells. This was done in several different steps, explained Ms. Nutt. First, a team was hired to professionally clean the Knolls tank. Dean Shaffer explained cleaning is something that is done every twenty to twenty-five years to help tanks last. Queried Council Member Davis – How many gallons is it? Mr. Shaffer answered the Knolls is the Town's largest tank at one hundred and sixty thousand gallons. The tank report came back real clean, informed Ms. Nutt, and the maintenance cost was \$5,900.00. Ms. Nutt reported the Milky Way site was then improved with Community Development Block Grant ("CDBG") money to the tune of about \$300,000.00. Mr. Shaffer explained the Town replaced the two little tanks, one booster pump and shoddy electrical with two twenty five thousand gallon tanks, a pump system and electrical panels. Ms. Nutt reported the fifteen gallon per minute Milky Way well wasn't really utilized because pumping it could possibly compromise private wells. While drilling an exploratory hole a second well that pumps forty five gallons per minute was discovered at the Milky Way site.

The Quail Valley well site was tackled next, reported Assistant Town Manager Nutt. The whole site was shut down and not in operation when purchased by the Town, added Mr. Shaffer. The well had pretty much dried up, the tank was useless and the building was falling down. Mr. Shaffer reported another well was drilled that hit over one hundred gallons per minute. Ms. Nutt reported that CDBG money was used to install two twenty five thousand gallon tanks. Queried Council Member Armington – When the well was offline what well was all the pressure on? All the pressure was on the Milky Way and the Knolls wells, answered Mr. Shaffer. Ms. Nutt reported that climate control for winter and summer was added to the pump houses to help sustain the electronics that are pumping the system and two roofing

jobs were just completed at the Knolls and Sky Run sites. Maintenance of sites is continuous and Mr. Shaffer utilizes assistants in his operation to maintain the well sites and meter boxes. The Town has identified and spent close to \$5,000.00 on meter replacements and nineteen more meters have just been authorized to be replaced. Meters that need to be replaced continue to be identified, concluded Ms. Nutt.

The Town then started to identify troubled areas and opportunity areas, reported Assistant Town Manager Nutt. This has brought about seven new wells in the nine years the Town has owned the system. Aging pipelines and undersized pipelines have also been replaced as well as expanding some of our service lines. One of the first was the Lumberman's project and it was a joint purchase with the Circle K well. This well pumps directly into the system, added Dean Shaffer, and it helps feed the lower pressure zone. Ms. Nutt reported the purchase price for the two wells (Circle K and Lumberman's) was \$100,000.00 and development and connection to the lower pressure zone system was a little over \$31,000.00. The Circle K well was developed prior to this project and with right around \$300,000.00 in CDBG money the site was developed and our line was connected to the eight inch line on Highway 260 to back up that part of the system. The Circle K well, informed Ms. Nutt, furnishes water to the eight inch mainline on Highway 260, to the Circle K gas station, and the community garden. The community garden was developed on the large back portion of the Circle K well site and water is supplied free of charge to the gardeners to the tune of 50,000 to 200,000 gallons per month. This well could potentially put water to the south end of the system, added Mr. Shaffer. In the last week, reported Ms. Nutt, a new four inch line to hook up Hunters Lodge was completed. A two inch meter will be installed, added Mr. Shaffer, then they will be connected and become a customer. The customer fully covered the cost of the \$17,000.00 extension to provide water to their park, concluded Ms. Nutt, and this addition has the possibility of netting the Town anywhere from \$15,000.00 to \$20,000.00.

Assistant Town Manager Nutt reported Sky Run wells 1 and 2 were purchased from the Town of Payson for \$82,000.00 and completed to the tune of \$500,000.00 with CDBG money and leverage funds. Near the end of that several year-long project the Town acquired Sky Run well 3. Dean Shaffer reported Sky Run well 1 is the large well at two hundred and twenty gallons per minute and it ties into Milky Way. Sky Run well 2 produces right at one hundred gallons per minute. This project had challenges obtaining easements for pipeline placement and getting power to the site, reported Ms. Nutt. Sky Run well 3 was acquired because the owner of Sky Run RV Park didn't want to be in the water business anymore. He donated the easement for the Town to gain access to power, the eighty gallons per minute well, and the infrastructure and all of his customers. Queried Vice Mayor McKinney – How big is the tank? Mr. Shaffer answered it is a ten thousand gallon tank that just feeds the park. The park maintains all the infrastructure inside the park, added Ms. Nutt, and the Town just provides water to that meter at that location. Queried Council Member Davis – Is the Town responsible for the maintenance of the water lines? Mr. Shaffer answered the town is not responsible for the maintenance of the water lines in the park.

Assistant Town Manager Nutt reported other improvements have been done in other areas of the system. A second well was drilled at the town park which pumps about thirty to forty five gallons per minute. This well provides water to the entire park for the restrooms and irrigation and also connects to Freegard Lane. The cost of developing that was \$44,000.00. Dean Shaffer added this well is also a back-up to the Knolls well in the upper pressure zone. Queried Council Member Davis – Would this well supply water to the Freegard property? Mr. Shaffer answered that would be the line it would be tied into if the land develops. Ms. Nutt reported there is a stub out that could feed Lazy D and if they ever became interested in becoming a municipal water customer they would only need to pay a tapping fee. The last CDBG project that was recently finished was a \$187,000.00 improvement to the mainlines on Moonlight, Garrels and Sunbeam to replace aging and undersized infrastructure. There was also an unauthorized

service line on private property which was capped on both sides of the property and returned to the original branch. That cut down the water loss report (what is pumped vs. what is sold) from eleven percent to four percent monthly. The Town gained three customers too, added Mr. Shaffer.

Assistant Town Manager Nutt stated staff is now starting to look at the next CDBG project and what should be the focus for improvements. Mr. Shaffer is from the Brooke Utility days – he knows where the skeletons are buried and he understands water in the rim country, pipes, and what’s above and underground. Ms. Nutt reported the Knolls and Houston Creek Landing have good, healthy water lines. As a capital improvement project, advocated Mr. Shaffer, the Town needs to start replacing existing lines that are fifty plus years old and upsizing the old lines. Otherwise the Town is going to start running into volume problems when it starts building out. Cost wise, added Mr. Shaffer, it’s not that much more to start upsizing and replacing the old lines. Queried Council Member Davis – How big are the lines that are there now? Mr. Shaffer answered they are six inch lines. As the Town builds out along the highway it wants to build out with eight inch lines because that’s where commercial properties are located and where the large demand will be. Queried Council Member McDaniel – If pipe is being replaced would it be better to do everything with eight inch? Mr. Shaffer answered the main arteries that feed the smaller branches need to be the larger eight inch. Queried Council Member Armington – Why would we want to put an eight inch on Moonlight on out to the highway? It would be for future commercial businesses to hook up, answered Mr. Shaffer.

Assistant Town Manager Nutt reported that storage tanks at the Circle K well site are being considered for the next CDBG project and staff will have that proposal at the next council meeting. As these ideas of putting in bigger lines to supply more water and to access areas that the Town may build out in the future are discussed, the question is....can the Town support this water build out? Not only financially, but....do we have enough water to fill it? Ms. Nutt explained she averaged the numbers of what the wells produced and the gallons pumped out of the system. The Town can pump about seven hundred gallons per minute. It can be looked at in two ways – each well could be pumped for twelve hours or twenty four hours. If the wells were run 24/7 for 365 days a year the Town could annually produce 183 million gallons at twelve hour cycles and 368 million gallons at twenty four hour cycles. The current annual output, reported Ms. Nutt, is fourteen to fifteen million gallons a year. Compared to what could be produced and what is produced the Town only uses about eight to four percent of its capacity. The wells are rested and rotated so no one well is over worked. The answer, stated Ms. Nutt, is the Town can provide water. Queried Mayor Coon – Do we have enough capacity to take care of this town? The Town is only using eight percent of what it can pump, replied Dean Shaffer, and that does not include storage. Staff and council have done a great job with this water system, concluded Mr. Shaffer, and he believes it is probably one of the most dependable ones in the state. The Town, concluded Ms. Nutt, has recently moved into selling hydrant water for construction projects.

Town Manager Grier stated the Town is in pretty good shape with the amount of water that it has available. What needs to be looked at now is the delivery of the water and replacing the old pipes. While the Town has always done that with CDBG money, reported Mr. Grier, staff will propose for council consideration doing some of the projects with general fund money. The Town still needs to build up a capital improvement projects fund so that it isn’t subsidizing water customers. The Town, pointed out Mr. Grier, subsidizes water customers because the water company purchase price of \$800,000.00 was never factored in to the rates. Mr. Grier added he thinks low water rates have been one of the Town’s best accomplishments. Mr. Grier reported the Freegard property is going to develop and the customers will be big water users. The Town is going to see a substantial increase in customers, added Mr. Grier, which is going to help with revenue. The Town should take great pride in what it has done with reliable water. It

is probably overlooked that property values are going to go up because people have reliable water here. Mr. Grier asked if there were any more questions.

Council Member Davis commented he is very impressed with the overall water system. He finally gets the whole picture where he can put it all together in his head. Water is the most valuable resource that anybody can have, concluded Council Member Davis, and we have a secure water future for this community. Dean Shaffer responded the Town has come a long way in nine years and has done a great job. Mayor Coon asked if the water table is monitored. Mr. Shaffer responded he does it quarterly – the tanks are always full and he does not see any decline. Mayor Coon commended Ms. Nutt on the excellent report. Ms. Nutt responded it helps to have a working knowledge of the system because of the in-house management of CDBG's. Mr. Shaffer stated he would like to put valves at every intersection. If there is a problem a street could be shut off instead of half of Star Valley. It's a work in progress but the Town is going in the right direction, concluded Mr. Shaffer.

- **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 up this portion of the meeting for public comment.

Colleen O'Malley of Moonlight Dr. in Star Valley stated she lives across the street from lot 51 where the fence was put up in a residential area. Ms. O'Malley then showed council a photo of the fence and stated it is god awful.

Town Manager Grier responded it would be best if he addressed Ms. O'Malley since council cannot comment. Mr. Grier stated the Town is aware and understands the folks that live down in that area are fairly upset about the fence built by Matt Sopeland. Mr. Grier reported that he has spoken with Mr. Sopeland on several occasions. The Town has sent out letters to people who have filed complaints and a letter has been sent to Mr. Sopeland that the Town believes he is using the property as a construction yard. That would be a commercial use and not allowed in a residential neighborhood. Mr. Grier explained that Mr. Sopeland has thirty days to fix the problem before the Town can file civil litigation. It even looks more awful because the bottom of it doesn't have panels because it's built in the floodway. The floodway, added Mr. Grier, is the jurisdiction of Gila County.

Colleen O'Malley reported that Mr. Sopeland has brought in truck-loads of dirt and spread it over his lot. We are in a floodway so now he's going to have an island if it floods and everyone else is going to be underwater because it will run off his property.

Town Manager Grier reiterated that the floodway is the jurisdiction of Gila County. The Town has jurisdiction over the use of property and the Town is doing everything it can within the zoning parameters. Mr. Grier acknowledged he sympathizes with the folks and he wouldn't want to look at that either.

Mayor Coon explained that open meeting laws prevent council from getting into a two-way

conversation. It doesn't mean they are not supportive – it just means they are not allowed to make any comments. Mayor Coon then thanked Ms. O'Malley for her patience.

There were no further comments and the Mayor closed the public comment portion.

• **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 6 – 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 4<sup>th</sup> day of May 2021. I further certify that the meeting was duly called and held, and that a quorum was present.**

**Dated this 5<sup>th</sup> day of May 2021.**

\_\_\_\_\_  
**Edie Chapin, Town Clerk**