

**Minutes of a Regular Session of the Common Council of the Town of Clarkdale
Held on Tuesday, November 8, 2011**

A Regular Meeting of the Common Council of the Town of Clarkdale was held on Tuesday, November 8, 2011, at 6:00 P.M. in the Men's Lounge of the Clark Memorial Clubhouse, 19 N. Ninth Street, Clarkdale, Arizona.

CALL TO ORDER – Meeting was called to order at 6:00 P.M. by Mayor Von Gausig.

Town Council:

Mayor Doug Von Gausig
Vice Mayor Richard Dehnert

Councilmember Patricia Williams
Councilmember Curtiss Bohall
Councilmember Bill Regner

Town Staff:

Town Manager Gayle Mabery
Town Clerk/Finance Director Kathy Bainbridge
Public Safety Director John Wintersteen
Utilities Director Wayne Debrosky
Human Resources/Community Services Director Janet Perry
Administrative Assistant Mary Ellen Dunn

PUBLIC COMMENT – The Town Council invites the public to provide comments at this time. Members of the Council may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. §38-431.01(G), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism or scheduling the matter for further consideration and decision at a later date. Persons interested in making a comment on a specific agenda item are asked to complete a brief form and submit it to the Town Clerk during the meeting. Each speaker is asked to limit their comments to five minutes.

There was no public comment.

REPORTS

Current Events – A brief summary of current events. The Council will not propose, discuss, deliberate or take legal action on any matter in the summary.

Mayor's Report:

- Attended CSP Workgroup meeting
- Met with Joe Moore and Jim Elmer about Ambulance Services and regarding legislative attempts to allow municipalities to run conflicting ambulance services
- Attended the Governor's Education Symposium in Prescott
- Flew to Memphis and attended the "Nature Tourism" seminar which discussed "value chain" theory
- Attended Flinn-Brown Civic Leadership Academy in Phoenix on four separation occasions – discussions included health in Arizona and immigration
- Met with Mesa Mayor Scott Smith to discuss LACT matters
- Prepared for and attended the VVL "Regional Water Issues" issue day at Yavapai College

- Conference call with Jamie Mireau regarding the Blue Trails project which has been funded by the Walton Family Foundation
- Met with Chip Norton and Dan Campbell regarding water seminar in Tucson in December
- Conference call with Cristie Statler from the Arizona State Parks Foundation and Flinn-Brown Fellows regarding future of state parks
- Verde Valley leadership issue day – discussion about water resources specifically in the Verde Valley
- Conference call with Parks committee from Flinn-Brown
- Verde River kayak trip with Town Manager Mabery and SRP representatives Greg Kornrumpf and Rebecca Davidson
- Attended CYHWRMS Environment Committee meeting
- Met with Rick Knotts and Jay Reams (Assistant Director) of Arizona State Parks about our Heritage Fund application
- Attended luncheon on Hospital Future in Healthcare
- Met with Bill Miller and Bob Oliphant from Yavapai College Foundation

Vice-Mayor's Report:

- Attended the Governor's Education Symposium
- Judged the Halloween costume contest
- Attended the MATFORCE Appreciation Breakfast which honored the contributions of Verde Valley partnerships and awarded the Town of Clarkdale with a plaque
- Attended the Independent Redistricting Commission hearing and entered into the record the Mayor's comments with regard to the Town's position on redistricting
- Attended the Mountain Gate community meeting – reported that the general level of satisfaction of the residents of Mountain Gate was good

Organizational Reports – Reports regarding regional organizations.

CAT/ VVTPO – Cottonwood Area Transit and the Verde Valley Transportation Planning Organization & other transportation affiliations.

Councilmember Bohall reported that the group did not meet however they are in the process of writing letters to Congressman Gosar and Senator McCain requesting that the federal government do something with regard to transportation funding; TPAC committee of NACOG is planning to meet with Congressman Gosar in late December in Flagstaff. Town Manager Mabery reported that both the City of Cottonwood and City of Sedona have action items on their agendas in November to consider giving notice to NAIPTA with possible intent to terminate contract. The plan is to operate the system through an IGA with goals toward saving costs and having more local control.

VVLP – Verde Valley Land Preservation.

Councilmember Williams – no meeting.

NACOG - Northern Arizona Council of Governments.

Vice Mayor Dehnert attended Regional Council Meeting on October 27th in Flagstaff; it was announced that Ken Sweet will be retiring as Executive Director and the council approved suggestion to hire Chris

Fetzer in his place. It was also reported that the current Highway Trust Fund has one year funding in it to support current levels. More reductions will follow unless Congress does something to support it. Council adopted a resolution urging the legislature to discontinue the diversions of HURF and to restore funding to local agencies. There was also a discussion about prescription drug abuse epidemic in Yavapai County.

NAMWUA - Northern Arizona Municipal Water Users Association.

Mayor Von Gausig – no report

VRBP – Verde River Basin Partnership.

Mayor Von Gausig – no report

WAC - Yavapai County Water Advisory Committee.

Councilmember Regner attended meeting in place of our Mayor on October 19th.

Cottonwood Mayor Diane Joens replaced our Mayor as Co-chair of this committee. Dan Lueder presented information on Cottonwood's riverfront water reclamation facility. USGS Northern Arizona Groundwater Model project discussed. This project has been in process for approximately 10 years however no consensus had been reached and project has been stalled. The committee requires a unanimous agreement and that has not happened to date. The County supervisors presented their opinions and Councilmember Regner read a statement that had been prepared by Mayor Von Gausig for this meeting that referred to the funds as well as public trust that had been expended in its development. The Mayor's statement suggested moving forward with the project which was met with approval from the majority of the group. Specific objections are to be put in writing and addressed in the December meeting.

VVREO – Verde Valley Regional Economic Organization.

Councilmember Regner – VVREO is sponsoring "Putting Emotion to Motion" on the Verde River November 17th from 2 – 4:30 p.m. at Yavapai College Room M137. New information will be released that may affect planning and policy as well as shape public opinion. RSVP to email vvreo2009@gmail.com All council members are invited to attend.

Meeting October 4th – group will be ready to submit their USDA Rural Development grant application for funding by this year's end.

Governor's Statewide Development Conference report was received which noted that the Arizona Commerce Authority is allocating \$2 million per year for 5 years to aid rural development projects.

In Spring 2012 the group will host a breakfast event – "The Verde Valley, Poised for Success".

YCL – A report from the Yavapai College Liaison.

Councilmember Regner discussed registration dates and holiday closures. Other facility operations, construction and improvements were discussed.

CONSENT AGENDA - The consent agenda portion of the agenda is a means of expediting routine matters that must be acted on by the Council. All items are approved with one motion. Any items may be removed for discussion at the request of any Council Member.

- A. **Approval of Minutes of the Common Council** - Approval of the minutes of the Regular Meeting held October 11, 2011 and Special Meeting October 25, 2011.

- B. Claims** - List of specific expenditures made by the Town during the previous month. October 31, 2011 check log and PPE dated 10/8/2011 and 10/22/2011.
- C. Board and Commission Minutes** – Acknowledgement of receipt of minutes and draft minutes of the previous month’s Board and Commission Meetings.
Board of Adjustments minutes of the meeting held October 26, 2011
Design Review Board minutes of the meeting held October 5, 2011; Notice of cancellation of meeting November 2, 2011
Planning Commission minutes of the meeting held October 18, 2011
General Plan Update Committee – Notice of cancellation of meeting October 17, 2011
- D. Services Agreement for Court-Appointed Attorney Services** – Discussion and consideration of a Legal Services Agreement between the Town and Michael Shaw, Attorney At Law, For Clarkdale Magistrate Court Appointed Attorney Services.
- E. Memorandum of Understanding with Clarkdale Metals Corp.** – Approval of a Memorandum of Understanding with Clarkdale Metals Corp. to trade used guardrail for secure storage space.
- F. Acceptance of the Arizona Department of Homeland Security Grant** – Acceptance of the Arizona Department of Homeland Security Grant in the modified grant amount of \$10,260.00 for seven P25 portable radios with chargers and microphones.
- G. Facility Use Agreement with the Clarkdale Historical Society and Museum** – Approval of a Facility Use Agreement between the Town and the Clarkdale Historical Society and Museum.

Councilmember Williams moved to accept the Consent Agenda Items A - G as presented. Motion seconded by Councilmember Bohall. Motion approved unanimously.

NEW BUSINESS

RESOLUTION ADOPTING WASTEWATER RATES – Discussion and consideration of Resolution 1383, which replaces Resolution #1361, Setting Fees for the Town of Clarkdale, by amending wastewater user fees.

The new wastewater treatment plant (WWTP) replaces an existing aerated lagoon treatment process that was built in the 1920s and updated first in 1978 and again in 2005. The Town currently discharges a Class B effluent to a land application site leased from Clarkdale Metals Corporation (CMC). The existing facility is permitted for a maximum flow of 250,000 gallons per day.

The new WWTP will be permitted for a maximum daily flow of 350,000 gallons per day and produces a Class A+ effluent. Class A+ effluent will give the Town additional disposal options

that are not currently available with a Class B effluent. The new WTP will also prevent the discharge of treated and untreated wastewater to the Verde River during storm events because the flow through the new WWTP processes are contained in elevated tanks and not the current lagoon system.

Resolution # 1367, adopted August 16, 2011 authorized application for funding from the Water Infrastructure Finance Authority of Arizona (WIFA) for the design and construction of a new Wastewater Treatment Plant (WWTP). The amount to be financed from WIFA would be \$5,500,000.00 which will represent an estimated rate increase of approximately \$25.00 over a five (5) year period to cover the additional debt.

Upon review of the WIFA application, WIFA informed the Town that our initial obligation would be to cover the interest debt service in July 2012 of \$165,000 and principal and interest debt service in July 2013 of \$369,000. The town currently has \$800,000 remaining from prior required Highlands development fees. Originally, thoughts were to use these funds first in an effort to reduce the total WIFA borrowing.

WIFA has agreed to allow the Town to supplement an annual rate increase in order to accumulate the required debt service funds. By using the \$800,000 as supplemental funds, the Town would be able to institute \$5.00 annual rate increases. Once the actual loan is established upon completion of the plant and actual interest is determined, the debt service will then be computed based upon actual figures that satisfy the final loan covenant requirements and rates will be formally adopted. WIFA will also allow the Town, as part of this option, to adopt a rate increase on December 8, 2011 along with authorizing the future adoption of rates that will satisfy the final loan covenant requirements based upon the above outlined plan.

The debt service scenario is based upon the Town borrowing the full \$5.5 million immediately and having to make an initial interest only payment of \$165,000 and first principal/interest payment of \$369,000 based upon that. In reality, the Town will not take the entire \$5.5 million immediately, as it will take time to complete the plant so the actual interest payment will be significantly less. WIFA has also calculated these rates based upon a 4% interest rate, which in reality will be in the 3% range instead, and are based upon a 22 year loan commitment in order to be able to reduce the initial required payments. The Town also does not plan on using the entire \$5.5 million requested, and once the plant is completed debt service will be computed based upon actual figures that satisfy the final loan covenant requirements. The required initial full payments will be taken into consideration when establishing the final debt service schedule. Once the loan passes the ten year mark, it may be paid off early. Future councils could decide to shorten the length of the loan based upon actual revenues at that time. If a future council should want to shorten the length of the loan prior to the ten year mark, they would need to get permission from WIFA.

Pursuant to A.R.S. 9-499.15., The Town of Clarkdale posted notice at least sixty days prior to the date that the proposed new or increased fee or tax is scheduled to be approved or disapproved at a meeting of the Clarkdale Town Council on the Town of Clarkdale website. The Notice of Intent to Set Wastewater Rates was approved by the Council at the September 13, 2011 Regular Town Council Meeting. On September 14, 2011 a report with the data supporting the increase of rates was filed with the Town Clerk. October 2, 2011 the Public Hearing for the proposed rate increase was posted in the newspaper. A public hearing on the proposed adoption of increased sewer rates was held before the Town Council on October 25, 2011 at 3:00 P.M. in the Clark Memorial Clubhouse.

The proposed increased wastewater rates are to be adopted pursuant to A.R.S. 9-511.01.

PROPOSED AMENDED WASTEWATER USER RATE FEE

	Effective Date	Rate Increase	Total Base Rate
Residential	December 8, 2011	\$5.00 Per Month	\$33.00 Per Month
Commercial	December 8, 2011	\$5.00 Per Month	\$33.00 Per Month Minimum base rate, plus a usage fee of \$2.25 per one thousand gallons of water in excess of 5,000 gallons per month.

Future rates and their effective dates will be authorized by the Clarkdale Town Council in order to satisfy any final loan covenant requirements.

Councilmember Bohall noted that the increase is somewhat steep and will be difficult for some residents.

Councilmember Bohall moved to accept Resolution #1383, which replaced Resolution #1361, Setting Fees for the Town of Clarkdale, by amending wastewater user fees. Motion seconded by Vice Mayor Dehnert. Motion approved unanimously.

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CLARKDALE, ARIZONA APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT WITH THE WATER INFRASTRUCTURE FINANCE AUTHORITY (WIFA) OF ARIZONA FROM ITS CLEAN WATER REVOLVING FUND; DELEGATING THE DETERMINATION OF CERTAIN MATTERS RELATING THERETO TO THE TOWN MANAGER OF THE TOWN; AUTHORIZING THE TAKING OF ALL ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY SUCH LOAN AGREEMENT AND THIS RESOLUTION AND DECLARING AN EMERGENCY-
 Discussion and consideration of Resolution 1384, a Resolution authorizing the execution and delivery of a loan agreement to provide funds for the design and construction of a new wastewater treatment facility.

The Town of Clarkdale, Arizona has applied to the Water Infrastructure Finance Authority of Arizona (WIFA) for a Design and Construction Loan from the Authority’s Clean Water Revolving Fund to provide funds for the design and construction of a new wastewater treatment facility. The terms and conditions under which the Loan will be made and the obligations of the Town with respect to the Loan is set forth in the attached loan agreement which will be executed and delivered by the Town Manager. The Loan and the loan repayments payable by the Town pursuant to the Loan Agreement will be secured by a pledge of the net revenues of the Town’s wastewater system.

The immediate operation of the provisions of this Resolution is necessary for the preservation of the public peace, health and safety of the residents and citizens of the Town for the reason that

the execution and delivery at the earliest possible date of the Loan Agreement is urgently needed to secure the lowest possible interest cost to the Town at the earliest possible time; an emergency is, therefore, declared to exist, and this Resolution is enacted as an emergency measure and shall be in full force and effect immediately upon its passage and adoption by the Mayor and Council of the Town of Clarkdale, Arizona, as required by law, and it is hereby exempt from the referendum provisions of the Constitution and the laws of the State of Arizona.

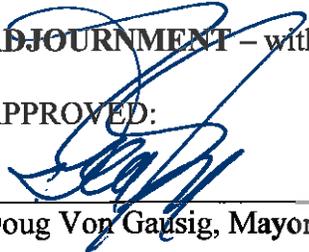
Town Manager Mabery pointed out the emergency provision included in the resolution and explained that it is a standard inclusion recommended by our bond council. Many communities have both ordinances and resolutions become effective in 30 days. In Clarkdale only our ordinances become effective in 30 days. Our resolutions are immediately effective. The reason the bond council recommends the inclusion of that emergency provision is so that within the 30 day period they can watch the bond market rates and act quickly if needed. It is not recommended to remove that provision.

Vice Mayor Dehnert moved to adopt Resolution #1384, a Resolution of the Mayor and Common Council of the Town of Clarkdale, Arizona approving the form and authorizing the execution and delivery of a loan agreement with the Water Infrastructure Finance Authority of Arizona from its Clean Water Revolving Fund; delegating the determination of certain matters relating thereto to the Town Manager of the Town; authorizing the taking of all actions necessary to the consummation of the transactions contemplated by such loan agreement and this resolution and declaring an emergency. Motion seconded by Councilmember Bohall. Motion approved unanimously.

FUTURE AGENDA ITEMS - Listing of items to be placed on a future council agenda. Councilmember Bohall would like to discuss the possibility of establishing an offset fund to assist Town's water and wastewater utility customers.

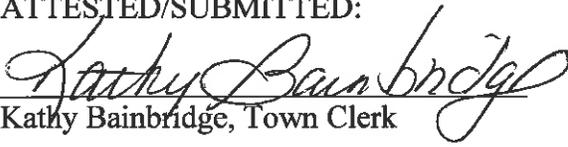
ADJOURNMENT - with no further business, Mayor adjourned the meeting at 6:45 P.M.

APPROVED:



Doug Von Gausig, Mayor

ATTESTED/SUBMITTED:



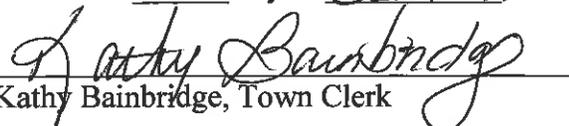
Kathy Bainbridge, Town Clerk

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 Clarkdale, Arizona held on the 11th day of October, 2011. I further certify that meeting was duly called and held and that a quorum was present.

Dated this 15 day of December, 2011

SEAL



Kathy Bainbridge, Town Clerk