

**Minutes of a Special Meeting of the Common Council of the Town of Clarkdale
Held on Tuesday, March 4, 2008**

A Special Meeting of the Common Council of the Town of Clarkdale was held on Tuesday, March 4, 2008, at 3:00 PM. in the Men’s Lounge of the Clark Memorial Clubhouse, 19 North Ninth Street, Clarkdale, Arizona.

Town Council:

Mayor Doug Von Gausig
Vice Mayor Jerry Wiley

Councilmember Patricia Williams
Councilmember Curtis Bohall
Councilmember Frank Sa

Town Staff:

Town Manger Gayle Mabery
Deputy Town Clerk Walt Good

Assistant Town Manger Janet Perry

CALL TO ORDER - Mayor Von Gausig called the meeting to order at 3:00 PM and noted that all Council members were present.

PUBLIC COMMENT – Mayor Von Gausig informed the audience that the council could not reply to comments on items that were not on the posted agenda per state law. The Council is interested in the public’s comments, but may not be able to respond other than to offer clarification or direct staff.

There was no public comment at this time.

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.

H.B. 2772 – Discussion and possible action regarding the Town of Clarkdale’s position on H.B. 2772, a bill introduced in the Arizona State Legislature allowing groundwater transportation from the Verde Valley Sub-Basin of the Verde River Basin to the Coconino Plateau Basin to a City or Town in the Coconino Plateau, with specific provisions.

Mayor Von Gausig described HB 2772 and the City of Williams history of drilling water. Williams uses surface water mainly for supplying the City with water. The Bill Williams fault well was abandoned when the drill bit began to follow the fault line. The City of Williams then moved south about ¼ mile and drilled about 3500 feet to get drinkable water. Department of Water Resources (DWR) originally issued the permits to drill original wells to Williams and did not know that the new wells were in the Verde River Basin instead of in the Coconino Plateau. In January 2008 Williams created an IGA with Salt River Project (SRP) to drill in the Verde River Basin. DWR required that Arizona State Legislation be created granting rights to drill and transport water from one water basin to another water basin. Williams took this info to Arizona State Representative Lucy Mason, District 1, for legislation allowing the drilling for and transport of water from the

Verde River Basin to the Coconino Plateau Basin. Parson Spring, Mormon Pocket Springs and Summer Springs are springs between the Williams' Verde River Basin wells and Perkinsville. They provide the opportunity for monitoring the impact of drilling in the Verde River Basin. DWR has made several changes in their policy in hopes of preventing inter-basin drilling from happening again. DWR made the mistake and admits it. Discussion was held on the maps supplied by Williams to the Town of Clarkdale identifying where the wells are located.

Councilmember Williams asked if the letters written by Yavapai County Supervisor Chip Davis were ever responded to. No known response.

Vice Mayor Wiley asked if DWR required notification before drilling a well. Communities and water companies need to get DWR permission. Vice Mayor Wiley handed out a sheet that explained in laymen's terms how much water is 700 acre feet.

What is the rush? DRW as a regulatory agency and cannot permit the production of water that is not in compliance with state law. If not legislatively approved, Williams may have to cease pumping from those wells.

Why were the Verde Valley communities not notified about the pending legislation? Over sight by those involved.

Arizona State Representative Lucy Mason informed Mayor Von Gausig that she was not willing to hold up the legislation, but is willing to review the proposed changes.

Councilmember Sa informed Council that a large gravel pit is under consideration in Williams and water is the main issue in consideration for this mining concern.

Mayor Von Gausig read the points of the proposed letter and discussed each point and informed Council that Jerome is meeting today and so is Cottonwood. Copies of the Clarkdale draft response letter have been sent to Sedona, Cottonwood, Chip Davis, Camp Verde, and Jerome.

Vice Mayor Wiley does not feel the letter would change anything but it should make others aware and hopefully include the Verde Valley communities in future discussions.

It was noted DWR is understaffed and problems have happened by DWR staff members and several organizations have requested that in the budget review that DRW funds not be reduced.

Vice Mayor WileyMW moved that the Mayor be allowed to write a letter with amendments from other Communities in Verde Valley, the Mayor of the Town of Clarkdale at his discretion to make a decision. Seconded by Councilmember Sa– Discussion of motion concluded that the Council's decision was that they wanted all the provisions in the draft letter that was presented to them sent to ADWR and Lucy Mason, but wanted to give the flexibility to the Mayor to work with the other cities and towns (adding more language if necessary) in order to send a joint letter from multiple Verde Valley cities and towns, in lieu of an individual Clarkdale response letter. Motion second was withdrawn by Councilmember and Sa Vice Mayor Wiley withdrew the original motion.

the other cities and towns in the Verde Valley. Seconded by Councilmember Sa. Approved unanimously. Copy of Council approved draft letter attached to minutes.

FUTURE AGENDA ITEMS – Listing of items to be placed on a future council agenda.
No new listings.

ADJOURNMENT - With no further business before the Council and without objection the meeting adjourned at 4:02 PM.

APPROVED:

Doug Von Gausig, Mayor

ATTESTED:

Kathy Bainbridge, Town Clerk

SUBMITTED:

Walt Good, Deputy Town Clerk

The Historic Town of Clarkdale, Arizona

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Town of Clarkdale

P.O. Box 308

Clarkdale, AZ 86324

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March 5, 2008

Representative Lucy Mason

House of Representatives

1700 W. Washington, Room 304

Phoenix, AZ 85007

Herb Guenther, Director

Arizona Department of Water Resources

3550 North Central Avenue

Phoenix, AZ 85012

Re: HB 2772, Groundwater Transfers/Drought Emergency

Dear Representative Mason and Mr. Guenther:

As you know, the elected officials in the Verde Valley were informed about HB 2772 only three days before it was to appear before the House Water and Agriculture Committee. We appreciate your willingness to delay the initial hearing on this bill until at least March 6th, and urge you to consider delaying the bill further.

The complexities and lack of technical data with regard to water in the Verde Valley Sub-Basin are widely recognized, as are the sensitivities with which these issues are viewed by the communities in this basin. Providing the Verde Valley communities and other stakeholders sufficient time to cooperatively study and comment on the proposed legislation is a reasonable and important step that should be taken at this time. There appears to be no immediate urgency for the legislation to be heard this session. ADWR has the flexibility to work with the City of Williams as the legislative solution for this issue works through an appropriate stakeholder review process.

Outside of the legislative process, the fact that this bill is necessary highlights procedural problems that need to be corrected so that they do not recur. The Notice of Intent (NOI) process used by ADWR at the time these wells were permitted left ample room for errors, and, as such, played a significant part in the City of Williams' great expense on wells that should not have been permitted under current Arizona law. In addition, once the problem with the wells was identified, and legislative action was contemplated, the communities in the Verde Valley and other stakeholders were not informed of the issue in a timely fashion by either ADWR, The City of Williams, SRP, nor Representative Mason. The lack of communication with the Verde Valley communities was first brought to ADWR's attention by The Historic Town of Clarkdale, Arizona

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attention in 2003 and has been brought forward since that time. Unfortunately, the handling of this situation so far perpetuates a belief that the Verde Valley communities had been purposefully left out of these important discussions.

In the short amount of time that the elected officials in the Verde Valley have had to

study HB2772, we have identified a number of provisions in the bill that need further attention before the bill is presented in Committee. They are as follows:

- Fire safety exceptions to the 700 acre-foot limitation need to be rewritten to ensure that they will not be used to justify pumping in non-emergency situations.
- Monitoring of springs at Parsons Spring, Mormon Pocket and Summer Springs should become part of the legislation. The spring monitoring apparatus would cost in the neighborhood of \$5-\$10,000 per spring and will provide the necessary information to identify any detriment to the springs and will provide baseline data for future decision support. Municipalities benefiting from this legislation should be required to pay the cost of installation of the monitoring equipment, and coordinate the effort with DWR and SRP to their satisfaction.
- Consideration should be given to establishing a maximum population for municipalities that benefit from the legislation. We believe that a population threshold of 6500 would be appropriate. Municipalities that exceed that threshold would lose the right to pump provided by this legislation.
- Consideration should be given to requiring that municipalities benefiting from the legislation must mitigate any impact to the Verde Valley Sub-Basin caused by their pumpage. The mitigation must be approved by DWR and SRP and should be implemented within 12 months of the date of the legislation. Mitigation efforts must be aimed at replacing flow to the Verde River as close to the point of impact as possible.
- Provisions should be added to the legislation that mandate that any municipality benefiting from the legislation must use any and all other means of supplying water to its customers before using any water from the wells allowed by the legislation. If said municipalities have alternate sources, such as surface water or water from other properly-placed wells, that water must be used to the maximum extent before any water can be used from the wells permitted by the legislation.
- Consideration might be given to “sunsetting” this legislation after a period certain, say 15 or 20 years, after which time the wells must be decommissioned in accordance with DWR’s well abandonment procedures.
- DWR should consider amending its NOI procedures to specify that prior to permitting any new well which plans to pump more than 150 GPM, all other water service providers in the same groundwater basin should be notified 90 days in advance of the issuance of the permit, and be allowed to comment on the permit’s groundwater and environmental impact on their service area.

The Historic Town of Clarkdale, Arizona

www.clarkdale.az.us

We understand that DWR has already and will continue to refine its NOI and permitting procedures to ensure that errors of the sort necessitating this legislation will not recur, and we sincerely appreciate those efforts.

In closing, on behalf of the Clarkdale Town Council and the citizens of Clarkdale, I’d like to reiterate the importance of involving all the Verde Valley communities in decisions that impact the groundwater basin in our region, both now and in the future. I also urge you to delay action on HB 2772 until the issues we’ve identified above have been considered and appropriately included in the legislation.

Sincerely,

Doug Von Gausig

Mayor

cc: Senator Tom O'Halleran

Representative Andy Tobin

Supervisor A.G. "Chip" Davis

Mayor and Council, Town of Camp Verde

Mayor and Council, City of Cottonwood

Mayor and Council, Town of Jerome

Mayor and Council, City of Sedona

Mayor and Council, City of Williams

David C. Roberts, Salt River Project

**Minutes of a Special Meeting of the Common Council of the Town of Clarkdale
Held on Tuesday, April 8, 2008**

A Special Meeting of the Common Council of the Town of Clarkdale was held on Tuesday, April 8, 2008, at 6:00 PM. in the Men’s Lounge of the Clark Memorial Clubhouse, 19 North Ninth Street, Clarkdale, Arizona.

Town Council:

Mayor Doug Von Gausig
Vice Mayor Jerry Wiley

Councilmember Patricia Williams
Councilmember Curtiss Bohall
Councilmember Frank Sa

Town Staff:

Town Manger Gayle Mabery
Public Works Director Steve Burroughs
Finance Director Carlton Woodruff
Town Clerk Kathy Bainbridge
Deputy Town Clerk Walt Good

Assistant Town Manger Janet Perry
Community Development Director Sherry Bailey
Police Chief Pat Haynie
Interim Utility Director Ron Doba

CALL TO ORDER - Mayor Von Gausig called the meeting to order at 6:05 PM and noted that all Council members were present.

PUBLIC COMMENT – Mayor Von Gausig informed the audience that the Council could not reply to comments on items that were not on the posted agenda per state law. The Council is interested in the public’s comments, but may not be able to respond other than to offer clarification or direct staff.

Ellie Bauer – Clarkdale, Clarkdale Chamber thanked Doug and Sherry for coming to the Chamber meeting. As a Clarkdale resident Ms. Bauer thanked the Mayor for his clarification of noting when you are speaking as a resident and when you are representing an organization.

Marsh Foutz, Clarkdale – Boucherville giant reed planted grows fast could cause flood problems and/or fire hazard. To eradicate it has to be cut down and then poisoned. Mayor, the Town and Clarkdale Fire District can look at it as a flood hazard.

INFORMATIONAL REPORTS

MAYOR’S REPORT – A report from the Mayor on current events

Mayor’s Report

1. Attended the Verde Valley Mayors and Managers meeting at the Yavapai-Apache Nation in Camp Verde with Town Manager Mabery. Thomas Beauty, the Tribal Chairman, told us that he would like to see a greater participation in regional affairs on the part of the tribe, and that he'd like to see the tribe included more in decisions made by regional governments. We all spoke about what was going on in our towns and ways that we could all work together more effectively.
2. Attended Clarkdale Chamber of Commerce meeting with Community Development Director Bailey. Primary topic was economic development and the Town’s perspectives. We discussed the Chamber’s role and look for realistic, relevant and affordable projects.

3. Met with Arizona Dept. of Water Resources Director Herb Guenther, Mayor Gioia of Camp Verde and the Mayor and Town Manager of Williams to talk about HB 2772. We discussed several points that the Town would like addressed in the final bill.
4. Rode in the Sedona St. Patrick's Day parade with Mayor Colquitt.
5. Attended the Yavapai County Mayors, Managers, Representatives, and Supervisors meeting in Prescott. The program was a presentation by DWR Director Herb Guenther about the current state and future of Northern Arizona water, with concentration on Big Chino issues.
6. Toured the Salt River Materials Group with Kristen Mayes, who is a current Corporation Commissioner and is exploring a run for Congress.
7. Met with Town Manager Gayle Mabery, topics we discussed were future possibilities for the new wastewater treatment plant, potential board and commission self appraisals, and various General Plan processes.
8. Was informed that Gayle Mabery was Certified as an International City Manager.
9. Met with John Papo in Sedona has solar panel business. He will provide enough power to industry for 20 years. Way to get this done without a large out of pocket outlay. If he is able to get some individual companies to do this then he would like to move the manufacturing to Clarkdale down in the Industrial area.

TOWN MANAGER'S REPORT - A report from the Town Manager on current events.

1. Town Manager Gayle Mabery stated that the Town had held a primary election in March. All candidates had run unopposed and had received over 50% plus one of the votes cast so all candidates were elected in the primary and no General Election was required. Ms. Mabery handed out the Certificate of Election prepared by the Town Clerk to Mayor Elect Von Gausig, Councilmember Elect Williams and Councilmember Elect Dehnert.
2. Ms. Mabery also recognized Ron Doba, Interim Utilities Director, and stated the Town was fortunate to secure his services on an interim basis while we were taking over the water system from Cottonwood and planning for the wastewater plant. Mr. Doba's expertise has provided the Utilities Department base for the incoming Utilities Director to start with. The Town of Clarkdale will miss Mr. Doba and would like to say thank you for the help and expertise.
3. The next 'Talk About The Town' on May 15, 2008, will be held at Alcora Marble on Main Street.

NACOG - A report regarding Northern Arizona Council of Governments - No Report

NAMWUA - A report regarding Northern Arizona Municipal Water Users Association
Mayor Von Gausig attended the NAMWUA TAC meeting in Prescott Valley. The main topic was refining water augmentation strategies for Northern Arizona.

WAC - A report regarding Yavapai County Water Advisory Council
Attended the WAC Meeting in Cottonwood. The main topics were a report from DWR's Doug Dunham on the DWR rule making process for SB1575, which is the water adequacy legislation that allows counties of municipalities to adopt adequacy requirements. Since DWR will be responsible for administering the adequacy portions of

that bill, they have entered into a new rule making process which will define how they will define adequacy in 1575 situations. They are holding meetings in several cities in the state about the process, and will be adding the Verde Valley to their itinerary now, after being urged to do so by WAC members. In the process they will be taking public comment about the rules, and it seems that most of the Verde Valley's WAC members will be at these meetings. So far only Cochise County has adopted 1575, the rest are apparently waiting for the rule making to be finalized.

CATS – A report regarding Cottonwood Area Transit System – No Report

COCOPAI - A report regarding Coconino Yavapai Resource Conservation District Pat Williams – March 17, 2008 meeting report was handed out.

VVLPI – A report regarding Verde Valley Land Preservation Institute – No Report

VVTPO - A report regarding Verde Valley Transportation Planning Organization – No Report

VERDE RIVER BASIN PARTNERSHIP – No Report

CONSENT AGENDA – The consent agenda portions 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 3/11/08 and the Special Meeting held 3/25/08.**
- B. Claims – List of specific expenditures made by the Town during the previous month. PPE 3/1/08, PPE 3/15/08, Check Log for March and Chase Report.**

Councilmember Sa inquired why the Willdan payments are still at \$32,000.00. Town Manager Mabery and Finance Director Woodruff will pull the Willdan bill and advise Councilmember Sa.

Councilmember Williams moved to approve consent agenda item B. Seconded by Councilmember Sa. Approved unanimously.

- C. Board and Commission Minutes – Acknowledgement of receipt of minutes and draft minutes of the previous month's Board and Commission Meetings.**
 - Planning Commission minutes of the meeting held 3/6/08 and 3/25/08 and 3/27/08
 - Board of Adjustments minutes of the meeting held 3/25/08 and 3/26/08
 - Design Review Board minutes of the meeting held 3/12/08 and 3/25/08
 - Library Advisory Board minutes of the meeting held 3/6/08 and 3/25/08
 - Parks and Recreation Board minutes of the meeting held 3/12/08 and 3/25/08
 - Heritage Conservancy Board minutes of the meeting held 3/19/08 and 3/25/08

D. Reports – Approval of Written Reports from Town Departments and Other Agencies.

Building Permit Report – March 2008

Capital Project Report – March 2008

Magistrate Court Report – February 2008

Police Department Report - March 2008

Clarkdale Fire District Report and Mutual Aid Responses Report – March 2008

Cottonwood Area Transit Operational Report – January 2008, February 2008

Verde Valley Humane Society – February 2008

E. Resolution - Approval of Resolution # _____ declaring as a public record that certain document filed with the Town Clerk entitled “The 2008 Amendments to the Tax Code of the Town of Clarkdale”.

Resolution # 1258

F. Ordinance – Approval of Ordinance # _____ relating to the privilege license tax; adopting “The 2008 Amendments to the Tax Code of the Town of Clarkdale” by reference; establishing an effective date, providing for severability and providing penalties for violations, in Article 8-2 of the Town Code.

Ordinance # 307

G. Resolution Accepting a Gift Deed of Dedication of Mescal Spur Road Extension – Approval of a Resolution # _____ accepting the Gift Deed of Dedication of Mescal Spur Road Extension from Old Jerome Highway to Highway 89A as a proposed public right-of-way from Selna and Mongini Investments.

Resolution # 1259

H. Resolution Design Review Board Appointment – Approval of a Resolution # _____ making an appointment to the Design Review Board.

Resolution # 1260

I. Proclamation For Clarkdale Volunteer Appreciation Week - Approval of a Proclamation declaring the week of April 28 – May 4, 2008 as Clarkdale Volunteer Appreciation Week.

J. Sedona Recycles, Inc. Agreement – Approval of an agreement with Sedona Recycles, Inc. for recycling drop off services in the Town of Clarkdale.

Vice Mayor Wiley moved to accept the consent agenda items A, C, D, E, F, G, H, I, & J as presented. Councilmember Bohall seconded the motion. Passed unanimously.

NEW BUSINESS

WORKSESSION UPDATE ON 89A PROJECT – A Worksession to update the Council on the Highway 89A project by ADOT & S.J.L. Construction.

Presentation on the Highway 89A project was made by Bill Williams, ADOT; Tom Ward, ADOT; and Mike Sick, S.J.L. Construction, to Council. The 800 number has changed and a

live person will be available on weekends. A PowerPoint presentation was shown detailing Hwy 89A and Hwy 260 projects. Hwy 89A is a 2.1 mile, 4 lane highway with an 8 foot median that runs from Cement Plant Road to Black Hills Road. Only yield signs will be utilized in the 5 roundabouts, which will provide for increase traffic capacity. Roundabouts have been shown to reduce auto crashes by 75% and injury accidents by 95% because of the counter-clockwise movement by all vehicles. There are 75 fewer conflict points in the roundabouts than at a standard stop light. Construction began February 2008 with first roundabout (Cement Plant Road and Clarkdale Parkway) scheduled for completion in May 2008. Mayor asked what is the co-efficiency of the rubberized asphalt friction for fuel efficiency? Bill Williams from ADOT will get the Mayor that information but the rubberized asphalt does decrease the noise on the highway. Mike Sick started on February 4th and appreciates the help of the Clarkdale Police Department. The project will build from roundabout to the next roundabout, and when all four lanes are built, they will build the roundabout. The first one will take six weeks to do the other four will take about a week each. Mayor Von Gausig inquired about the proposed grade change on the Cement Road roundabout? Mike Sick explained how they will build Clarkdale Parkway up ramp at 400 feet from the intersection to obtain the height needed for safety. Councilmember Sa said this is the cleanest project that he is has ever seen and that the contractor has done an excellent job of removing debris. Councilmember Williams inquired if Mingus Shadows residents will still be able to enter 89A from Mingus Shadows Road. Reply was that by turning right on to Hwy 89A, as you do now, you come into Town, but you would no longer be able to turn left to go to Cottonwood. To go to Cottonwood the vehicle will have to use a roundabout to change direction of travel. Questions regarding the height of the center of the roundabout were answered with a four to six inch roll curb will run around the center area and the center will be about 6 foot high. Gayle Mabery reminded Council that this project has been on the books for 15 years. Tom Ward stated they would stripe Hwy 89A as no passing down the complete length of the project next week. Crews will only work 24/7 while working on the roundabouts. Environmental benefits of roundabouts are reduced noise, air pollution and fuel consumption. Safety yield to drivers in the inside lanes, speed is about 15-20 mph in the roundabouts. Speed between roundabout 45-55 mph.

Presentation discussion by ADOT on the Hwy 260 Thousand Trails to Western Drive. Twenty foot high retaining walls being built at Prairie Road much like the walls by Del Rio road. This project should be completed by February 2009. Foundations for the roadway supports are nearly complete in some areas already and work is progressing. The cost of the road is about \$14,000,000.00. Ames Construction is the contractor. The project information line is 1-866-751-2083. ADOT stressed project safety while driving through the construction area, 85% of injury accidents are due to the public speed. Motorists are advised to obey all posted speed and safety signs and that the officers present can and will cite offenders.

**DEVELOPMENT AGREEMENT WITH VERDE VALLEY CHRISTIAN CHURCH –
Discussion and consideration of a Development Agreement for the extension of Water and
Sewer lines with the Verde Valley Christian Church (VVCC).**

Interim Utilities Director Ron Doba presented the water and wastewater development agreement with the Verde Valley Christian Church to Council. The Church would be able to

put in a well and onsite wastewater plant at a lower cost than working with the Town and extending Town services. The VVCC wishes to work with the Town and bring Town water and wastewater services to this area. This would benefit the Town and VVCC in the future. The Town could participate by purchasing the materials for the project. One problem is how the materials will be delivered, also possible delivery problems in the project. Robert Pecharich, Town Attorney also had concerns on the wording in the agreement. The Town has to be sure that the purchases of products to be used in the project have gone to bid in the appropriate manor. The Town and VVCC should consider rewording the contract. Town Attorney can change the agreement reflecting in the development agreement that we have the materials delivered by a third party because the VVCC can then be designated the Town's Agent, if the Agent complies with Arizona statutes on the competitive bid process. VVCC also requested to receive a credit/reimbursement agreement to VVCC for cost that would be above their share.

Tom Pender, owner Pender Engineering and acting as Agent for VVCC, stated that they have a low bid on the materials now but the time line on the bid is short and that they will have to go back out to bid soon. When they rebid a legal 'Notice of Invitation to Bid' could be published to ensure that all the Town's legal requirements are followed. Robert Pecharich, Town Attorney, recommend this agenda item be tabled until those requirements be addressed in the agreement and returned to Council for consideration.

Mayor stated that the agreement may require major changes and will have to be addressed by Council. Town Manager said she thinks that changes could be made in paragraph 4 and the paragraph 8 and returned to Council next meeting.

Tom Pender said that VVCC also would like to cap the Town inspection cost. The church is trying to minimize their cost of this project. Inspection of Town infrastructure is required by state law and the Town has a responsibility for the complete length of the line. Tom Pender does these inspections for other communities already and would like to discuss the possibility of performing the inspections on this project.

Town Attorney Pecharich complimented VVCC on their efforts and that this is a great example of what cooperation between a government agency and a private property owner can accomplish when both sides are willing to work together for the common good.

Mayor moved this item be tabled until staff and applicant make changes and return to Council at the earliest possible date. Councilmember Sa seconded the motion. Passed unanimously.

Town Attorney requested to be excused from the meeting, the Mayor excused Town Attorney Pecharich, thanking him for his service.

BUDGET WORKSESSION – A worksession to discuss the 2008-2009 Fiscal Year Budget.

Finance Director Woodruff described the assumptions for next year and stated that the Wastewater Fund Transfer is supporting several wastewater projects. Both major capital projects in Wastewater have had delays in the funding sources. The first project was the Effluent line and disposal site. This project was initially to be funded by Phelps Dodge (1/2) and the other half funded through a Rural Development Grant/Loan. The Empire Mountain Gate development agreement was amended to allow for \$1,000,000.00 to be used for the Town's share of the projects after the requirement costs for the Rural Development funding got to be excessive. The effluent line project was completed in 2007, but the Phelps Dodge funding agreement was not finalized until fiscal year 2008. This delay put the Wastewater fund in a negative fund balance situation in the short term. The agreement with Phelps Dodge for their portion of the effluent project also included deducting \$347,000 in cash and signing over ownership of the fisher Property as part of the payment. This resulted in a project funding delay that totaled \$447,000. Project funding for the new Wastewater Treatment Plant was scheduled to be a partial development contribution and partial WIFA financing package. Current design costs for the plant are currently approaching \$500,000 and a design loan through WIFA was to be closed in February of 2008. In February, when we were notified that Empire Construction was freezing operations at the Mountain Gate Project, we put the WWTP project on hold. With this delay, it has put in question the WIFA financing package and the close of the design portion was also delayed. The operations of the current plant are running approximately \$100,000 over budget due to increase testing requirement under our APP. That amount, as well as the \$500,000, current design costs is the total that must be funded before the close of the fiscal year.

Finance Director Woodruff stated staff would come back to the Council at the next scheduled meeting with possible options to overcome this budgetary funding delay.

Fiscal YEAR 2006 and Fiscal year 2007 Audited Financial Statements – Presentation of the audit reports and consideration of approval of the 2006 and 2007 Fiscal Year Audits.

Finance Director Carlton Woodruff submitted to Council the 2006 Fiscal Year Audit and the 2007 Fiscal Year Audit for their review. The unrestricted net assets increased in the 2007 audit and the economic downturn did affect the town. In the 2007 portion, page 42 there is a mistake and Finance is working with the auditors to make the adjustment changes.

Mayor stated the findings have fairly minor discrepancy comments. Mr. Woodruff replied that Industry Standards for most small communities is that contract audits are done and this being forwarded to the auditor general. If required to complete audits per state it will be a financial impact on smaller towns. Both audits were brought to Council in a single agenda item. The Mayor asked about the delay for the 2006 audit, Mr. Woodruff stated that the Fundware software was the major problem and the audit firm itself was slower. The audit firm got the report to the Town the day before it was due. Finance is looking into a RFP for a new audit company.

Councilmember Williams inquired about page 39 on 2007 – line on delinquent property taxes, Mr. Woodruff replied that the County will collect.

Ms. Williams also inquired on page 36 on 2007 – deficit due to higher cost. Mr. Woodruff stated that research and work on lot sales, reduce staff cost, some rate changes and an interment wall are areas that will have to be worked on and the Town Fee Schedule reviewed.

Councilmember Sa moved to approve the 2006 Fiscal Year Audit and the 2007 Fiscal Year Audit. Councilmember Williams seconded the motion. Passed unanimously.

FUTURE AGENDA ITEMS – Listing of items to be placed on a future council agenda.
Vice Mayor Wiley requested a form based planning presentation.

ADJOURNMENT - With no further business before the Council and without objection the meeting adjourned at 8:42 PM.

APPROVED:

Doug Von Gausig, Mayor

ATTESTED:

Kathy Bainbridge, Town Clerk

SUBMITTED:

Walt Good, Deputy Town Clerk

**Minutes of a Special Meeting of the Common Council of the Town of Clarkdale
Held on Tuesday, April 22, 2008**

A Special Meeting of the Common Council of the Town of Clarkdale was held on Tuesday, April 22, 2008, at 6:00 PM. in the Men’s Lounge of the Clark Memorial Clubhouse, 19 North Ninth Street, Clarkdale, Arizona.

Town Council:

Mayor Doug Von Gausig
Vice Mayor Jerry Wiley

Councilmember Patricia Williams
Councilmember Curtiss Bohall
Councilmember Frank Sa

Town Staff:

Town Manger Gayle Mabery
Public Works Director Steve Burroughs
Finance Director Carlton Woodruff
Town Clerk Kathy Bainbridge
Building Official Mike Baker

Assistant Town Manger Janet Perry
Community Development Director Sherry Bailey
Police Chief Pat Haynie
Utility Director Wayne Debrosky
Deputy Town Clerk Walt Good
Interim Utility Director Ron Doba

CALL TO ORDER - Mayor Von Gausig called the meeting to order at 6:00 PM and noted that all Council members were present.

PUBLIC COMMENT – Mayor Von Gausig informed the audience that the Council could not reply to comments on items that were not on the posted agenda per state law. The Council is interested in the public’s comments, but may not be able to respond other than to offer clarification or direct staff.

Robyn Prud’homme Bauer, Clarkdale, reported that the Chamber of Commerce would be holding their Annual Downtown Block Party on May 10th from 5:30 p.m. – 9:00 p.m.

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) **Council Meeting Location Change** - Approval of relocating the Regular and all Special scheduled Town of Clarkdale Council meetings to Yavapai College, Verde Valley Campus, Community Room M137, from May 27 through August 28, 2008.
- B) **Proclamation – April 2008, As Child Abuse Prevention Month** - Approval of a Proclamation declaring April 2008, Child Abuse Prevention Month in the Town of Clarkdale.

Vice Mayor Wiley moved to accept the Consent Agenda as presented. Councilmember Sa seconded the motion. Approved unanimously.

Mayor Von Gausig presented Kathleen McLaughlin, Director, Yavapai Family Advocacy Center the signed Proclamation declaring April 2008, Child Abuse Prevention Month in the Town of

Clarkdale.

NEW BUSINESS

WORKSESSION ON THE ARSENIC REMOVAL FACILITIES FOR MESCAL WELL – A worksession to discuss the proposal from Basin Water for the lease purchase of arsenic removal facilities for the Mescal Well.

Interim Utility Director Doba introduced the new Utility Director Wayne Debrosky and Ben Buchsieb from Basin Water for a discussion on the arsenic removal facility for Mescal Well.

The purpose of this worksession is for the Council to receive a presentation on how the Basin Water Arsenic removal system works and understand the benefits of the ion exchange system. The Mescal well is located adjacent to the Highlands Subdivision and was dedicated to the Town by Verde Highlands LLC. In addition to the well, Verde Highlands deposited \$265,000 with the Town in 2006 in return for providing water service to the Highlands Subdivision and commercial development.

Willdan Engineering has been designing the infrastructure required to operate the well and is ready to include the Arsenic removal system. The Arsenic in the well is 19 ppb and the maximum allowable level is 10 ppb as mandated by the Safe Drinking Water Act. Basin Water is providing the Arsenic removal facilities for Cottonwood. Cottonwood is in the process of installing approximately twenty Basin Water Arsenic removal systems of various sizes for their wells. Basin Water has been asked for a proposal to provide Arsenic removal facilities for Clarkdale.

The Basin Water treatment system is a proprietary ion exchange system that requires no pH control or sewer connection. The other Arsenic removal system the Town owns is the Kinetico system that was installed by Empire for the Mountain Gate Well. The Kinetico system is an oxidation, co-precipitation, and filtration system that requires injecting ferric chloride into chlorinated water to adsorb the Arsenic. The pH is controlled via acid feed to a range of 7.2 to 7.6. The water is then filtered and the backwash discharged to the Town sewer. The proposal from Kinetico (July 14, 2006) indicates the proposed cost for that system was \$543,000 which included a backwash treatment system (\$199,000) that was eliminated in favor of a sewer to dispose of the backwash to the Town's wastewater treatment plant.

The Basin Water Arsenic treatment facility would be a container surrounded by an 8' block wall, which could be any color. Servicing would take place once a week by a truck/trailer and once a month with a semi truck which would stay only 30 minutes. The semi truck would haul away the spent brine to a landfill as non-hazardous waste at specified times convenient to the neighborhood. The system is a quiet unobtrusive operation which would go before the Design Review Board for approval.

The monthly lease to purchase fee is \$5,490.00 with a \$50,000 deposit and a \$320 per acre-foot treatment fee. The treatment fee is based upon a 50% utilization of the well and is inclusive of consumables, maintenance, residual management, system performance and

component guarantee for the term of the agreement. If the well is used more than 50%, the price per acre foot goes down. Projected monthly treatment fees would be approximately \$6,000 based upon 50% utilization of well. Chemical costs would be adjusted in the water service agreement based upon CPI or water quality changes. Purchase options to the ten year lease were discussed with a comparable savings of approximately \$100,000 if the Town would refinance at the end of one year and pay the system off with a 4% interest rate WIFA loan.

Some questions needing to be answered before a decision is made are:

1. When do we want to commission the well
2. We need to figure out how the well will be used and the effect on the WSA
3. Will either Haskel well or the Mountain Gate well service the Town if one goes down
4. Options on the reservoir well rehabilitation
5. Buying options vs. lease options.

TOURISM PRESENTATION – Presentation by Lisa O’Neill, Verde Canyon Railroad Marketing, discussing the Arizona Office of tourism and NAU-Arizona Hospitality Research & Resource Center Report on the 2007 Verde Valley Visitors Study.

Lisa O’Neill, Verde Canyon Railroad Marketing, presented the 2007 Verde Valley Visitors Study prepared by NAU-Arizona Hospitality Research & Resource Center. Ms. O’Neill explained that the Verde Valley is a primary destination for affluent baby-boomer couples on leisure vacations, who stay overnight, dine out, hike and shop for arts and crafts. The survey collected a total of 1,284 surveys from the Verde Valley communities of Sedona, Cottonwood, Camp Verde, Clarkdale and Jerome over a 12-month period. Clarkdale is missing capturing some of the approximate 3,786,167 Sedona to Jerome visitors spending approximately \$529.3 million dollars. About 48.8 %, or 1.8 million visitors to the Verde Valley travel along 89A to Jerome. Clarkdale should develop this area in order to capture some of the benefits of these travelers. The Verde Canyon Railroad draws about 90,000 visitors per year. There needs to be some creative ideas to find ways to divert the railroad traffic from Broadway to downtown. The Clarkdale Chamber of Commerce is applying for grant funds to produce brochures which are allowed to be distributed within a radius of 60 miles.

WORKSESSION WATER CONSERVATION CODE – Discussion and possible direction to staff on policy issues associated with the Town’s Water Conservation Code.

Sherry Bailey, Community Development Director, presented Council a PowerPoint presentation on the Water Conservation Code. It includes a strong commitment to replacing aged and leaking infrastructure through an aggressive Capital Improvements Program, adoption and application of conservation ordinances, and a continuing education program to keep water conservation in the public eye. A successful program also provides incentives to the public to change their habits and to reward them for actions they have taken to meet the ordinance. The Conservation Ordinance would set policy that conservation of water is in the best interests of the Town and that it is necessary for the Town to protect its limited water supply and to allocate and monitor water usage to both existing and future development

within its jurisdictional boundaries in order to ensure the sustainability of the Town's water resources. The scope of the Ordinance would apply to all residents of the Town and/or users of the Town provided utilities.

The use of evaporative coolers would be prohibited and new construction would provide for the capture of drainage from a minimum of 85% of the roofed area. Mayor Von Gausig thought that mandated rainwater collection might encourage an unwanted use from vegetation receiving the additional collected water needing the additional water all the time and did not think that this area would provide enough rainwater collection to be worth the cost.

The installation of new turf would be prohibited in residential front yards and native vegetation would be required for front yards along with prohibiting plants requiring longer than two years of watering to establish. Form Based Codes encourage front porches, but this does not encourage front yard usage.

Construction of new outdoor swimming pools would be prohibited. This would curtail hotel/motel growth in Clarkdale during a time when the 89A corridor could provide the ability to capture some tourist revenue. Community Development Director Bailey will find a compromise for pools with options being: No outdoor pools, allow outdoor pools, encourage indoor pools or have the latest technology for less evaporation if outdoors, allow hotels/motels to have pools, but encourage indoor pools or have the latest technology for less evaporation.

Once the Council has narrowed down the program direction, public education will be conducted at meetings which will be scheduled for public input through newspaper, radio, and website advertisement prior to being brought back to the Council for review. Mayor Von Gausig stated that he would like the public meetings to be on the Council agenda so that the Council could hear the public concern and comment.

The Code provides for a qualifying landscape credit program, rainwater harvesting credit program, and a retrofitted structure or low water use appliance rebate program. The Town will have to decide how much they are willing to pay for saving water usage, what are the real savings in water, and where funds will come from for the programs.

**WORKSESSION ON THE 2006 BUILDING CODES, CHAPTER 7 OF THE TOWN CODE -
Worksession on the proposed adoption of the 2006 International Code Council (ICC) Building Codes to the Town Code of the Town of Clarkdale.**

Building Official Mike Baker stated that the International Code Council publishes updated building codes every three years. The Community Development Department has determined that by adopting the 2006 ICC versions, we will remain in the mainstream of the building code process. Amendments to institute some energy and water conservation measures and address problems that were not covered in the Codes were also included. Some of the proposed changes are:

1. Reverse Osmosis systems will not be permitted in new structures. Mayor Von Gausig thought that these systems should not be regulated for those with private wells.
 2. Existing lawn sprinklers may be repaired but not expanded. Only drip irrigation or other water saving approved systems are allowed. Sprinklers will be allowed for now and can be amended later to have this condition.
 3. Roof must have rain water collection system such as gutters or pipes and be channeled into the yard or a tank.
 4. Evaporative coolers are not allowed in new construction, except for replacement.
 5. Swimming pools must meet all State and Building Code requirements, regardless of the age of the occupants.
 6. New guest houses, and buildings converted to guest houses, or any other structure, all or part of which is used for full or part time residential use must be sprinklered.
 7. Dust on the job site is not permitted and a stop work order can be issued for the entire project to abate dust.
- There will have to be some coordination between the proposed conservation code and this code.

ORDINANCE AMENDMENT OF CHAPTER 9, ARTICLE 9-4(S); HEALTH AND SANITATION - INTERNATIONAL PROPERTY MAINTENANCE CODE – Discussion and possible approval of Ordinance 308, adopting changes to the Town of Clarkdale International Property Maintenance Code, Chapter 9, Article 9-4(S) - Section 302.8 Motor Vehicles; regarding the fencing of unlicensed vehicles.

Building Official Mike Baker was directed by Council in December of 2007 to amend the 2003 International Property Maintenance Code to regulate the number and means of storing unlicensed vehicles. The amended ordinance allows for no more than two vehicles being allowed in a fenced area not visible from adjoining public or private property, no limit to the number of vehicles or their condition as long as they are enclosed in a structure, and would be effective one year from the date of passage.

Councilmember Williams moved to adopt Ordinance Number 308, Amendment of Section 9-4(S) International Property Maintenance Code of the Town of Clarkdale repealing conflicting ordinances and providing for severability as amended by deleting “or in disrepair”, changing inoperative to inoperable, and changing 1a to #2. Vice Mayor Wiley seconded the motion. Approved unanimously.

ORDINANCE – Consideration and possible adoption of Ordinance # 309 amending Section 19-1 “Definitions” of the Town Water Code calling for a clarification of the Hearing Officer verbiage.

Assistant Town Manager Janet Perry informed the Council that the Town’s new Water Code was adopted at the February 26, 2008 meeting. During that process, worksession discussions focusing on the intent for the Hearing Officer included that this person be appointed by the Council.

The Code as it was adopted, however, includes confusing “boiler plate” verbiage for the Hearing Officer definition which actually achieves the exact opposite of Council’s original intention. A change to the definition of a Hearing Officer is being proposed at this time to correct the Code verbiage so that staff can move forward based on Council’s original direction for filling this position.

Councilmember Sa moved to approve adoption of Ordinance # 309 amending Section 19-1 “Definitions” of the Town Water Code calling for a clarification of the Hearing Officer verbiage. Councilmember Williams seconded the motion. Approved unanimously

HEARING OFFICER APPOINTMENT – Consideration and possible approval of the appointment of Town Magistrate Cipriano as the Town’s water service Hearing Officer.

Assistant Town Manager Janet Perry informed the Council that Clarkdale Water Code Section 19-3 ‘Conditions of Service; Appeals’ calls for a Hearing Officer to render decisions on appeals made by a system customer. During Council’s worksession discussions on this matter, a preference for Town Magistrate Harry Cipriano to fill this position was noted.

Judge Cipriano has since agreed to serve as the Town’s water service Hearing Officer. Judge Cipriano’s current employment contract with the Town contains no restrictions to his ability to serve in this additional capacity. Any demands posed by this responsibility should be easily worked in to Judge Cipriano’s existing schedule. If, however, this task should warrant a greater time commitment, modifications to the Judge’s schedule will be considered as needed.

Vice Mayor Wiley moved to approve appointment of Town Magistrate Cipriano as the Town’s Water Service Hearing Officer. Councilmember Sa seconded the motion. After discussion Vice Mayor Wiley withdrew his motion and Councilmember Sa withdrew his second.

Vice Mayor Wiley moved to approve appointment of the Town Magistrate as the Town’s Water Service Hearing Officer. Councilmember Sa seconded the motion. Approved unanimously.

FISCAL YEAR 2007/2008 BUDGET– Discussion and possible action regarding authorization for fund transfers within the Fiscal Year 2007/2008 budget and other budget balancing options.

Finance Director Carlton Woodruff explained that as a result of a recent development stoppage and the slowdown in the economy, the Town of Clarkdale is currently projecting actual revenues to be significantly lower than budgeted revenues. The current economic conditions have also put the construction timeline for the new wastewater treatment facility in question. With a delayed funding source in the Wastewater Fund, it will be necessary to adjust the current budget by eliminating or reversing budget transfers from the General Fund to other funds. These budgeted funds will then be transferred in an amount required to

balance the Wastewater fund until such time there is sufficient cash flow to repay each individual fund.

Solutions totaling \$806,000 consist of the Contingency Fund's \$226,000 budgeted transfer not being made at year end, the CIP Fund year end transfer will only include dept service total of \$40,000, a transfer of \$310,000 will be made from the Streets Fund to the General Fund, and a transfer from the prior CIP Fund to the General Fund of \$230,000. One other solution to cover the needed \$820,000 would be for the Council to approve a resolution accepting the loan closing documents for WIFA in the amount of \$730,000. The WIFA loan would be for three years at interest only with repayment at the end of three years or rolled into construction financing. Interest could be repaid from LGIP earnings on the loan funds. Resolutions authorizing budget transfers and accepting the loan closing documents will take place at a future council meeting.

BUDGET WORKSESSION – A Worksession to discuss the 2008-2009 Fiscal Year Budget.

Finance Director Carlton Woodruff presented 2008-2009 budget revenue projections. Sales Tax projection for next year's budget will drop 15% to about \$780,000. Building Permit projected revenues will drop to \$70,000 with contingency fund for any excess revenues. All departments will return to base budget amounts, and in some cases those will be reduced. No new projects will be budgeted for the coming year.

FUTURE AGENDA ITEMS – Listing of items to be placed on a future council agenda.

- Solar Power Presentation
- Council Stipends

ADJOURNMENT - With no further business before the Council and without objection the meeting adjourned at 10:05 PM.

APPROVED:

Doug Von Gausig, Mayor

ATTESTED:

Kathy Bainbridge, Town Clerk

SUBMITTED:

Walt Good, Deputy Town Clerk