

**Minutes of a Special Meeting of the Common Council of the Town of Clarkdale
Held on Tuesday, May 13, 2008**

A Special Meeting of the Common Council of the Town of Clarkdale was held on Tuesday, May 13, 2008, at 5:30 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 - Absent

Councilmember Patricia Williams
Councilmember Curtiss Bohall
Councilmember Frank Sa

Town Staff:

Town Manger Gayle Mabery
Robert Pecharich, Town Attorney

Community Development Director Sherry Bailey
Town Clerk Kathy Bainbridge

Others in Attendance: Councilmember-elect Richard Dehnert

CALL TO ORDER - Mayor Von Gausig called the meeting to order at 5:30 PM and noted that all Council members were present except Vice Mayor Wiley.

APPROVAL TO ATTEND EXECUTIVE SESSION - Discussion and possible approval of allowing Councilmember-elect Richard Dehnert to attend Executive Session.

Mayor Von Gausig explained that the Council would need to approve Councilmember-elect Dehnert's attendance at the Executive Session and that it would benefit the Town and Councilmember-elect Dehnert to attend Executive Session meetings until he assumed his position.

Councilmember Williams moved that Councilmember-elect Richard Dehnert be allowed to attend the May 13th Executive Session. Motion amended by Councilmember Williams to allow Councilmember-elect Dehnert be allowed to attend all Executive Sessions that occur prior to assuming office, seconded by Councilmember Bohall, passed unanimously.

Councilmember Williams moved that Council move into Executive Session pursuant to A.R.S. §38-431.03(A)(3)(4) - Consultation for legal advice with the Town Attorney regarding the Empire Construction and Verde Highlands Subdivision Agreement, seconded by Councilmember Bohall, passed unanimously.

MOUNTAIN GATE SUBDIVISION DEVELOPMENT AGREEMENT - Pursuant to A.R.S. §38-431.03(A)(3)(4) - Consultation for legal advice with the Town Attorney regarding the Empire Construction bankruptcy proceedings and Town claims. Discussion and possible vote to move into Executive Session. If authorized by a majority vote of the Common Council of the Town of Clarkdale, the Council will adjourn and move into Executive Session for legal advice.

VERDE HIGHLANDS, LLC (CLIFFROSE) DEVELOPMENT AGREEMENT, VERDE HIGHLANDS, LLC FIRST AMENDMENT TO DEVELOPMENT AGREEMENT AND VERDE HIGHLANDS, LLC SUBDIVISION AGREEMENT - Pursuant to A.R.S. §38-431.03(A)(3)(4) - Consultation for legal advice with the Town Attorney regarding the Verde Highlands, LLC (Cliffrose) Development Agreement, Verde Highlands, LLC First Amendment to Development Agreement, and Verde Highlands, LLC Subdivision Agreement with the Town of Clarkdale regarding the Highlands Subdivision.

Executive session was recessed at 6:00 P.M. to hold the regularly scheduled Council meeting and was reconvened at 7:30 P.M.

ADJOURNMENT - With no further business before the Council and without objection the meeting adjourned at 8:00 PM.

APPROVED:

Doug Von Gausig, Mayor

ATTESTED:

Kathy Bainbridge, Town Clerk

SUBMITTED:

Walt Good, Deputy Town Clerk

**Minutes of a Regular Meeting of the Common Council of the Town of Clarkdale
Held on Tuesday, May 13, 2008**

A Regular Meeting of the Common Council of the Town of Clarkdale was held on Tuesday, May 13, 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 - Absent

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
Magistrate Harry Cipriano

Assistant Town Manger Janet Perry
Community Development Director Sherry Bailey
Police Chief Pat Haynie
Utility Director Wayne Debrosky

Town Attorney Rob Pecharich

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

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, Thanked everyone for coming to Chamber of Commerce Block Party and thanked Public Works for their help and the Town's support. She also noted that Dewey Reiersen, Planning Commissioner 2003-2005 passed away.

Ellie Bauer – Clarkdale, Thanked Chief Haynie for scheduling Officer Wiley and Laser to be on duty at the Block Party.

INFORMATIONAL REPORTS

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

Mayor's Report

1. Met in Jerome with coordinators and Chairs of the Verde River Basin Partnership, Yavapai County Water Advisory Committee, and Upper Verde River Watershed Protection Coalition. The meeting was an effort to see if there was some way the three organizations could consolidate some or possibly all of their operations recognizing that they all have similar goals with overlapping stakeholders. If they were all able to join forces they may be able to obtain State and Federal funding.

2. Attended a Natural Resources Committee meeting, the local WAC group.
3. Attended a water resources meeting with Community Development regarding the water resources element of the new General Plan.
4. Met with WAC in Prescott with a presentation on emerging contaminants. Emerging contaminants are pharmaceuticals, detergents, etc. in the water which are not broken down by natural processes. How to get rid of them in the effluent or how to get rid of them through the water treatment phase of potable water systems were discussed. Education programs are needed to let people know how to dispose of pharmaceuticals.
5. Met with Town Manager Mabery, Councilmember Bohall, and Virginia Turner from the Governor's Office regarding the transportation initiative.
6. Attended the Volunteer Appreciation Dinner which served 110 volunteers.
7. Judged the custom car show at Mingus High School.
8. Attended a water work group with Cottonwood Mayor Joens, Cottonwood City Manager Bartosh, Town Manager Mabery.
9. Lead trips into the Tavasi Marsh for the birding festival.
10. Department of Water Resource has posted all new major wells in the State on www.azwater.gov/wellsondemand. It shows any production well that has been applied for and will allow municipalities to see what type of wells are going in their area.
11. Attended the Hands Across Border welcome.
12. Talked to Mathew Mosk, reporter from Washington Post about the Ruskin Exchange.
13. Carlos Sierra from Senator McCain's office did not like Washington Post article and wanted the Mayor to sign a letter of opposition because of Mayor Von Gausig's position with Verde River Basin Partnership. The Mayor made clear to both that his name would not be signed to either because the Partnership was an apolitical science based organization.
14. Met with Town Manager Mabery, Community Development Director Bailey, Attorney Pecharich, and Southwest Risk Management Pool attorneys regarding legal issues.
15. Met with Jerome Vice Mayor Moore and Attorney Pecharich regarding what Jerome would like to see as annexations.
16. Of the two recent rains the first was 12/100 inch = 160 gallons and 4/10 inch = 500 gallons total. Would probably get about \$16 per month of water.
17. Read the Bureau of Reclamation Study for Coconino Plateau appraisal level study. It identifies whether or not there is a shortage of water out to 2050, decides if there are any potential shortages, potential fixes, and if there is a Federal nexus for help. Costs about a billion dollars to get water from Colorado River. Shows where/how to get future water and cost and is not focused on conservation.

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

1. Town Manager Gayle Mabery stated that the Clarkdale Lion's Club continued their generosity while disbanding their organization by donating a new diving board for the pool which opens on May 24th.
2. The May 27th meeting will be the first Council meeting at Yavapai College for the summer.
3. May 1st started Stage 1 of the Drought and Water Shortage Preparedness Plan and there have only been a few warnings issued.
4. Spirit of Clarkdale nominations are due by May 16.

5. Talk About the Town meeting will be on Thursday at Alcora Marble.
6. Concerts in the Park start May 24th with Major Lingo and on June 14th Aces N Eights
7. Police Neighborhood Block Party at Foothills Terrace on May 24th
8. Police Neighborhood Block Party at Lamplighter Village on June 7th

NACOG – A report regarding Northern Arizona Council of Governments – Met April 24, 2008. Feds were pleased with Head Start and Early Head Start Programs as a result of recent extensive on site review. Victor Mendez reviewed ADOT's Statewide Transportation Planning with the Council where they strongly urged increased dollars for rural Arizona. Council approved rate reimbursement changes for congregate and home delivered meals, which greatly benefit local programs. The increase will be 20%– 50%.

NAMWUA - A report regarding Northern Arizona Municipal Water Users Association – No meeting.

WAC - A report regarding Yavapai County Water Advisory Council. Report given above.

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

COCOPAI - A report regarding Coconino Yavapai Resource Conservation District - No meeting.

VVLPI – A report regarding Verde Valley Land Preservation Institute – April Minutes presented.

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

VERDE RIVER BASIN PARTNERSHIP – Coordinating Committee met with the main item of discussion being the money collected from Clarkdale, Cottonwood, Camp Verde, and Jerome to install some monitoring wells somewhere in the basin. They are working with USGS to identify well sites and how many monitor wells the \$24,000 would afford. Probably 5 to 10 wells would be paid for but the money only pays for first year of monitoring. One year worth of data would not be very valuable, so no monitoring wells will be installed until they know they have grant funds to get five years of studies. If they find there are no grant funds for a five year study, the funds would be returned to the communities.

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 3/4/08, 4/8/08 and the Special Meeting held 4/22/08.

- B) **Claims** - List of specific expenditures made by the Town during the previous month.
PPE 03/29/08, PPE 04/12/08, PPE 04/26/08, April Check Summary Report

- 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 4/23/08
 - Design Review Board minutes of the meeting held 4/9/08
 - Library Advisory Board minutes of the meeting held 4/3/08
 - Planning Commission minutes of the meeting held 4/3/08, 4/24/08
 - Parks and Recreation Board minutes of the meeting held 4/9/08
 - Heritage Conservancy Board minutes of the meeting 4/16/08

- D) **Reports** - Approval of written Reports from Town Departments and Other Agencies
 - Magistrate Court Report – March 2008
 - Building Permit Report – April 2008
 - Police Department Report – April 2008
 - Clarkdale Fire District Report and Mutual Aid Responses Report – April 2008
 - Capital Improvement Report – April 2008
 - Cottonwood Area Transit (CAT) Operations Report – March 2008
 - Verde Valley Humane Society – March 2008

Councilmember Sa pulled Consent Item B.

Councilmember Williams moved to accept the consent agenda items A, C & D as presented. Councilmember Bohall seconded the motion. Passed unanimously.

Councilmember Sa inquired about the ACH debt service payment for the water company acquisition. Carlton replied that there would be a new report included for ACH payments also.

Councilmember Sa also inquired what the Town was doing to cut expenditures when the expense reports shows the same dollar amounts spent as previous years. Town Manager Mabery explained that normal operational expenditures have been held to previous years expenditures along with additional budgeted items not being purchased.

Councilmember Sa moved to accept the consent agenda item B as presented. Councilmember Williams seconded the motion. Passed unanimously.

NEW BUSINESS

UPDATE ON CLARKDALE MAGISTRATE COURT – An update to discuss the administration, budget and upcoming fiscal year of the Clarkdale Magistrate Court.

Magistrate Cipriano presented a summary of the past 18 months in the Clarkdale Magistrate Court and the proposal for the future. Magistrate Cipriano reported some of his accomplishments being:

1. Improved customer service with the addition of a part time clerk
2. Obtained an additional AZTEC computer for the courtroom

3. Enrolled in the FARE program for collection of fines, fees and restitution
 4. Started participation in the Debt Set-Off Program and Tax Intercept Program
 5. Obtained a digital recorder
 6. Remodeled the court room, clerk's office and lobby
 7. Acquired a credit/debit terminal for payments
 8. Appointment of an Associate Magistrate
 9. Started a fine collection policy
 10. Reporting due to other entities have been submitted correctly and on time
- The Mayor thanked Magistrate Cipriano for the great job being done in the Court.

**LEGAL 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.**

Magistrate Cipriano explained the need for a legal services agreement for an independent contractor agreement with private legal council to provide competent representation to and advocate for the position of indigent criminal defendants in the Magistrate Court. Attorney Pecharich explained the proposed changes as requested by Mr. Shaw to the Council. Town Manager Mabery explained that we should have an Agreement with Shaw and the Schlegel Law Firm and then separate contracts with Sabrina Shaw and Gary Horton. The Agreement is with the Town and should be modified so the Mayor signs the Agreement and the presiding Magistrate of the Clarkdale Court signs as to form and content. Transcription services in section VII needs to be clarified to be court reporter transcription costs, not secretary services.

Mayor Von Gausig moved to approve the Legal Services Agreement for A Court-Appointed Attorney as presented by Judge Cipriano with the following changes:

1. The Legal Services Agreement will be between the Town of Clarkdale and Shaw and Schlegel Law Offices PLLC
2. Signature blocks will be changed such as the Mayor of the Town signs on behalf of the Town and the Magistrate signs as to form and content
3. Other minor changes as discussed with the Town Attorney
Seconded by Councilmember Sa. Approved unanimously.

RESOLUTION DECLARING THE “ZONING CODE ORDINANCE AMENDMENT TO CHAPTER 11, SECTIONS 11-1 THROUGH 11-19; DESIGN REVIEW AND SITE PLAN REVIEW” A PUBLIC RECORD – Consideration of resolution # _____ declaring as a public record those certain documents filed with the Town Clerk and entitled “Zoning Code Ordinance Amendment to Chapter 11, Sections 11-1 Through 11-19; Design Review and Site Plan Review” Town of Clarkdale – Town Zoning Code. Resolution # 1261

Community Development Director Bailey presented Council the entitled “Zoning Code Ordinance Amendment to Chapter 11, Sections 11-1 Through 11-19; Design Review and Site Plan Review”. The majority of the Design Review and Site Plan portions of the Zoning Code were clarified with housekeeping measures. Additional measures were added so that the ordinance applied to new buildings and redevelopment, except single-family

dwellings and accessory uses, and also applied to public buildings and facilities. Signage language was added identifying when, where, and size of signs to be posted. The sign will be 18 inches by 18 inches and will be made so that they will not curl up and be unreadable.

Councilmember Williams moved to approve Resolution #1261 declaring as a public record those certain documents filed with the Town Clerk and entitled "Zoning Code Ordinance Amendment to Chapter 11, Sections 11-1 Through 11-19; Design Review and Site Plan Review". Seconded by Councilmember Sa. Approved unanimously

ZONING CODE ORDINANCE AMENDMENT TO CHAPTER 11, SECTIONS 11-1 THROUGH 11-19; DESIGN REVIEW AND SITE PLAN REVIEW – Discussion and consideration of adopting by reference a document entitled "Zoning Code Ordinance Amendment to Chapter 11, Sections 11-1 Through 11-19; Design Review and Site Plan Review" on file as a public record with the Town Clerk as an Ordinance amending the Zoning Code Chapter 11, Sections 11-1 through 11-19; Design Review and Site Plan Review, of the Town Zoning Code of the Town of Clarkdale; Providing for severability; and Repealing Conflicting Ordinances. Ordinance #310

Sherry Bailey, Community Development Director informed the Council of the changes in the Public Record "Zoning Code Ordinance Amendment to Chapter 11, Sections 11-1 Through 11-19; Design Review and Site Plan Review". Most of the changes were housekeeping items to bring the document current with good practices and state statutes. The two major changes were the posting of the site on zoning change request and the notification of adjacent property owners of the proposed changes.

Councilmember Sa moved to adopt Ordinance Number 310, an Ordinance entitled "Zoning Code Ordinance Amendment to Chapter 11, Sections 11-1 Through 11-19; Design Review and Site Plan Review" as recommended. Seconded by Councilmember Bohall. Approved unanimously.

MOUNTAIN GATE SUBDIVISION UPDATE – Update on issues relating to the Mountain Gate Subdivision and Empire Construction.

Town Attorney Pecharich informed Council and citizens that Empire Construction had filed Chapter 11 with the Bankruptcy Court for reorganization, which indicates that they are trying to find other financing. Clarkdale and Attorney Pecharich have met with the bond companies Arch Insurance and Bond Safeguard. Both companies have sent their engineers to Clarkdale and have inspected the site, have indicated a willingness to work with the Town to determine what is covered under their bond, and will prioritize items of priority in terms of public health and safety. They will determine if they are able to complete items with their contractors at their expense or write a check to the Town and the Town would complete. Attorney Pecharich has been in contact with Indy Mac Bank and their position is to wait for the outcome of the bankruptcy proceedings, but remain in first position as the lender. They either get paid in full or the trustee of the bankruptcy court will determine if the value of the subdivision is less than the amount owed to the bank, in which case, the bankruptcy court can release the property to the bank. The bank may then

sell the property, but the future owner has to meet both the subdivision and development agreement with the Town.

Attorney Pecharich further recommended to the Council that they should contract with a bankruptcy attorney to follow the Town's position through the bankruptcy procedure. Town Manager Mabery informed the Council that this will take place at a future meeting.

FUTURE AGENDA ITEMS – Listing of items to be placed on a future council agenda.
None

ADJOURNMENT - With no further business before the Council and without objection the meeting adjourned at 7:30 PM. The meeting reconvened to executive session.

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 Monday, May 19, 2008**

A Special Meeting of the Common Council of the Town of Clarkdale was held on Monday, May 19, 2008, at 4:00 PM. in the Finance Conference Room, 15 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
Finance Director Carlton Woodruff
Community Development Director Sherry Bailey

Assistant Town Manger Janet Perry
Town Clerk Kathy Bainbridge

Town Attorney Rob Pecharich

CALL TO ORDER - Mayor Von Gausig called the meeting to order at 4:00 PM and noted that all Council members were present except Councilmember Sa.

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 comment.

MOUNTAIN GATE SUBDIVISION DEVELOPMENT AGREEMENT - Legal advice from the Town Attorney regarding the Empire Construction bankruptcy proceedings and Town claims.

The Council may vote to discuss this matter in executive session pursuant to A.R.S. § 38-431.03(A) (3) discussion or consultation for legal advice with the attorney of the public body; and (4) discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations. The Executive Session will be held immediately after the vote and will not be open to the public. Upon completion of Executive Session, the Council may resume the meeting, open to the public, to address the remaining items on the agenda.

Without opposition, the Council approved Attorney Scott Cohen's attendance at the Executive Session meeting.

Without opposition, the Council recessed to Executive Session at 4:05 P.M.

Without opposition, the Council resumed the meeting in Open Session at 5:10 P.M.

APPOINTMENT OF SPECIAL LEGAL COUNSEL – Discussion and consideration of appointment for special legal counsel to the Town with regard to Empire Construction, et al’s bankruptcy proceedings.

Vice Mayor Wiley moved to approve Attorney Scott Cohen of Engelman / Berger P.C., Attorneys at Law, to handle the Empire Construction et al bankruptcy proceedings. Councilmember Williams seconded the motion. Motion passed unanimously.

ADJOURNMENT - With no further business before the Council and without objection the meeting adjourned at 5:12 P.M.

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, May 27, 2008**

A Special Meeting of the Common Council of the Town of Clarkdale was held on Tuesday, May 27, 2008, at 6:00 PM. At Yavapai College Verde Campus, 601 Black Hills, Room M-137, 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
Utility Director Wayne Debrosky

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.

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) **City of Cottonwood Mechanical Repair Services Agreement** - Approval of the 2008-2009 Intergovernmental Agreement between the City of Cottonwood and the Town of Clarkdale for mechanic repair services.
- B) **Clarkdale-Jerome School District Mechanical Repair Services Agreement** - Approval of the 2008-2009 Intergovernmental Agreement between the Clarkdale-Jerome School District and the Town of Clarkdale for mechanic repair services.
- C) **Clarkdale Fire District Mechanical Repair Services Agreement** - Approval of the 2008-2009 Intergovernmental Agreement between the Clarkdale Fire District and the Town of Clarkdale for mechanic repair services.
- D) **Resignation of Richard Dehnert From Board of Adjustment** – Acceptance of letter of Resignation from Richard Dehnert.

- E) Ordinance Amendment Deleting Article 4-3; International Fire Code of Town Code** – Approval of an ordinance amendment deleting Article 4-3 pertaining to the International Fire Code of the Town Code, and renaming Chapter 4 as Police Department.
Ordinance #311

- F) Municipal Property Corporation Appointment** – Approval of a resolution appointing James Gemmill to a term on the Municipal Property Corporation Board of Directors.
Resolution #1262

- G) Resolution Renaming Street** – Approval of Resolution # _____ renaming of First Street in the Paz and Cota Subdivision to B & D Ranch Road.
Resolution #1263

Councilmember Williams pulled item B.

Vice Mayor Wiley moved to accept the Consent Agenda A, C, D, E, F, & G as presented. Councilmember Sa seconded the motion. Approved unanimously.

Councilmember Williams requested clarification on the staff report.

Councilmember Williams moved to accept consent Item B as presented. Vice Mayor Wiley seconded the motion. Passed unanimously.

NEW BUSINESS

MOUNTAIN GATE ARSENIC TREATMENT SYSTEM – Consideration of approval for the Town staff to move forward with necessary steps to bring the Mountain Gate Arsenic Treatment System into operation on the water system.

Utility Director Wayne Debrosky discussed the arsenic treatment system at the Mountain Gate Well and the timeline required by ADEQ to bring the system into compliance. As Council is aware, the Arsenic Treatment System (ATS) for the Mountain Gate well will require several modifications before it will be considered operational and put on-line as part of the Town's water system. Empire Construction was responsible to deliver a fully operational and permitted Arsenic system to the Town as part of their off-site water improvements for the Mountain Gate project. With their operations "frozen" and their recent bankruptcy filing, they've left the Town with a partially complete system that will not currently meet federal arsenic requirements. The Town must be in compliance on Arsenic Treatment by December 31, 2008, or cease using the Mountain Gate well to supply water to our customers. We do not have sufficient potable water supplies from our other sources to allow this to happen.

The following steps need to be taken to complete the ATS for the Mountain Gate well:

- A pressure reducing valve (PRV), surge relief valve and well site improvements need to be designed and installed on the well line to the Mountain Gate Arsenic Treatment system prior to system start up.
- The system needs to be disinfected.
- Training and system start-up need to be provided by Kinetico (the system manufacturer).
- A wastewater line needs to be constructed from the 89A reservoirs to the nearest sewer line (in the Valley View Cemetery) to carry the backwash water from the ATS to the wastewater treatment plant.

The design work for the PRV, surge relief valves and well site was completed by Shephard-Wesnitzer, Inc. (SWI) for Empire Companies, but SWI never received payment for the design from Empire. SWI has also designed the sewer line extension to the Valley View Cemetery, and not been paid by Empire. If their fees are paid, SWI is willing to sell the plans to the Town.

Although the expenses for the Arsenic system are included as part of our claims through the bonding company on the Mountain Gate project (Bond Safeguard Insurance), we are not in a position to wait to resolve issues with the bonding company before starting this project due to the federal compliance issues. Therefore, we are proposing to move forward with this project, and seek reimbursement from Bond Safeguard.

In order to move forward with the most immediate issues, staff is recommending that the Council authorize staff to:

- Contract with Shephard-Wesnitzer Inc. (SWI) in the amount of \$8,900.00 for the engineering, design, bid documents, and submittal of documentation for regulatory approval of a pressure relief valve (PRV), surge relief valve and associated well site improvements for the Mountain Gate Arsenic Treatment system; and,
- Contract with Kinetico to an amount not to exceed \$9,000 for training and system start-up.
- Contract with an appropriately licensed contractor to construct the pressure relief valve (PRV), surge relief valve and associated well site improvements.

The above three steps are the most critical to bringing the system into compliance. Additional steps that will need to be taken will include the design and construction of the wastewater line the Valley View Cemetery, and entering a contract in the interim for a company to haul the backwash water to the wastewater collection system. Those items will be presented to the Council for consideration at a later date, if required under our procurement code.

Mayor Von Gausig asked who would be trained. Utility Director Debrosky replied that himself, Utility Tech Ken Rice, Wastewater Superintendent Mick McCullough, Admin Assistant Ellen Yates and various City of Cottonwood water staff would attend the training. The previous training session by Kinetico this past fall was attended by two Town of Clarkdale Utilities staff members who are no longer with the Town of Clarkdale. This training will be video taped for future use as in house training. Once online the Town should be able to sustain in house training.

Councilmember Sa asked how often the pump and dump tank will be drained? Utility Director Debrosky replied it will need to be dumped every other day, the tank is 5,500 gallons. The backwash water will be transported to a site where the water can enter the wastewater collection system. With the water entering the wastewater collection system upstream from the wastewater treatment plant it will have the ability to mix with existing domestic wastewater flows and not surcharge the system at the wastewater plant.

Councilmember Sa inquired if the ATS water could be used for dust control? Utility Director Debrosky said that the ATS is backwashed in four different stages and that stage 1 and 2 were not approved for dust control and the Town does not have the system set up to collect stage 3 and 4 so it would not be economically feasible.

Councilmember Sa inquired if the Town had an estimate on the cost of the PRV and surge valves? Utility Director Debrosky said that he did not have any firm prices because he does not have the engineering plans yet, however, the last PRV that the Town purchased was approximately \$35,000.

Town Manager Mabery stated that the funds for this would be coming out of the Water Company purchase funds and could be repaid by the Mountain Gate settlement.

Utility Director Debrosky informed council that he will be returning to Council with a worksession on the well and the ATS, a contract to purchase the PRV and surge valves, cost for engineering plans on the wastewater line extension and the contract for the hauling of the pump and dump ATS wastewater.

Vice Mayor Wiley moved to authorize staff to contract with Shepherd-Wesnitzer Inc. in the amount of \$8,900.00 and Kinetico for up to \$9,000.00 in order to move forward with the Arsenic Treatment System startup, and additionally to follow appropriate procurement guidelines to hire a licensed to construct the required pressure relief valve, surge protector and associated well site improvements, Seconded by Councilmember Bohall. Approved unanimously.

RESOLUTION DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE TOWN CLERK AND ENTITLED "BUILDING CODE ORDINANCE AMENDMENT TO CHAPTER 7, ARTICLES 7-1 THROUGH 7-9; ADOPTING THE 2006 INTERNATIONAL CODE COUNCIL (ICC) BUILDING CODE" OF THE TOWN OF CLARKDALE - Discussion and consideration of Resolution # 1264, declaring as a public record that certain document filed with the Town Clerk entitled "Building Code Ordinance Amendment to Chapter 7, Articles 7-1 Through 7-9, Adopting the 2006 International Code Council (ICC) Building Code" to the Code of the Town of Clarkdale.

Building Official Mike Baker, explained the changes in the document entitled "Building Code Ordinance Amendment to Chapter 7, Articles 7-1 Through 7-9, Adopting the 2006 International Code Council (ICC) Building Code". Section 614.1 is an addition that deals with meters on private wells. Requiring meters on private wells is a practice on the East

Coast but not known if any Arizona communities endorse this practice. Town Manager Mabery stated that the Town has one commercial account that has a private well and the Town has history of their previous water usage, which the Town uses as a basis to bill this customer. This section requires both commercial and residential new private wells install a meter on their system for sewer charges.

Councilmember Sa asked if the commercial account would have to put in a meter and at whose cost? Existing commercial accounts on their own well would not have to put in a meter, if they do it will be at their own expense and the Town does have inventory they could sell.

Councilmember Sa moved to declare the document entitled “Building Code Ordinance Amendment to Chapter 7, Articles 7-1 Through 7-9, Adopting the 2006 International Code Council (ICC) Building Code” a public record. Seconded by Vice Mayor Wiley. Approved unanimously.

Resolution #1264

ORDINANCE AMENDMENT TO THE BUILDING CODE, CHAPTER 7, ARTICLES 7-1 THROUGH 7-9; ADOPTING THE 2006 INTERNATIONAL CODE COUNCIL BUILDING CODE – Discussion and consideration of Ordinance # _____, adopting the “Building Code Ordinance Amendment to Chapter 7, Articles 7-1 Through 7-9, Adopting the 2006 International Code Council (ICC) Building Code” to the Code of the Town of Clarkdale repealing conflicting ordinances, providing for severability.

Building Official Mike Baker presented the 2006 ICC Building Code for Council to approve.

Councilmember Williams moved to adopt “Building Code Ordinance Amendment to Chapter 7, Articles 7-1 Through 7-9, Adopting the 2006 International Code Council (ICC) Building Code” to Town Code. Seconded by Councilmember Sa. Approved unanimously.
Ordinance #312

AUTHORIZATION FOR PARTICIPATION IN THE ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) PLANNING ASSISTANCE FOR RURAL AREAS (PARA) PROGRAM– Discussion and consideration for authorization of staff to submit an application for a traffic planning study through the Arizona Department of Transportation (ADOT) Planning Assistance for Rural Areas (PARA) Program.

Public Works Director Steve Boroughs explained the benefits of the Town applying to ADOT for the PARA Program. The major benefit would be the information on traffic patterns gained to be utilized in the new General Plan. Some of the major changes are that the reimbursement is 100% and that you can work with other communities when you submit. The limit is \$250,000 of ADOT funds. Working with Cottonwood could enhance or ability to participate in this program. The Town will pay first and then submit to ADOT for reimbursement.

Mayor Von Gausig asked how the timeline for this program jells with the requirements for the General Plan study requirement timeline. Community Development Director Bailey informed Council that they match well.

Councilmember Williams moved to authorize staff to submit an application to ADOT for participation in the Planning Assistance for Rural Arizona Program. Seconded by Vice Mayor Wiley. Approved unanimously.

RESOLUTION FOR 2007/2008 BUDGET TRANSFERS – Discussion and consideration of approval of resolution # _____ adopting budget transfers for the 2007-2008 fiscal year.

Finance Director Carlton Woodruff informed Council that each year the Council adopts a balanced budget based on projections of local revenue as well as projections from the State of Arizona revenue (State Shared Revenues and State Sales Tax). It is an ongoing budget goal for the Town of Clarkdale to transfer a portion of revenue from the General Fund to a Contingency Reserve Fund, the Capital Improvements Fund, and the Streets (HURF) Fund. During the year, Council may make changes to a budget based on economic factors by authorizing additional transfers when needs are identified. These economic factors in fiscal year 2007-2008 have caused actual revenues to fall short of projections, resulting in a need to transfer monies back into the General Fund. These factors have also contributed to the need to change revenue sources for expenditure coverage in the Wastewater Fund.

Exact amounts available for the requested budget balancing transfers will not be available until well after June 30th, when final sales tax collections are distributed by the State of Arizona and yearly closing entries have been completed. The following transfer totals are based on current projections of year end funds available. Actual transfer amounts may differ due to changes in actual revenue received for the remainder of the year and amounts required to balance the General Fund and Wastewater Fund.

Councilmember Sa asked if any of these transfers would effect carryover funds? Finance Director Woodruff replied there would be no carryover in any of the funds except for the Streets Fund. The transfer from the Streets Fund to the General Fund would only be in an amount up to this fiscal year's General Fund to Streets transfer.

Councilmember Williams moved to adopt the budget transfers for the 2007-2008 fiscal year. Seconded by Councilmember Bohall. Approved unanimously.

Resolution #1265

RESOLUTION CLOSING WIFA LOAN APPLICATION – Consideration of Resolution # _____ to authorize the closing of a Clean Water State Revolving Fund design loan from the Water Infrastructure Finance Authority of Arizona.

Finance Director Carlton Woodruff informed council the reasons for the closing the WIFA loan application and obtain the design funds. The payment would be twice yearly interest payments over the next three years and then the Town would have to pay the loan off or roll

it into a construction loan. The town would invest the loan money at approximately 3.1% and interest would probably be about 3.75%.

Councilmember Sa asked where the funds to repay the loan would come from? Finance Director Woodruff replied that the first plan of action is not to spend any of the proceeds from the design loan. If any of the proceeds need to be spent to balance the Wastewater Fund, then repayment would be made from Wastewater user revenue. If construction on a new facility is started within the next three years, the total loan amount will be rolled into a construction loan. To have the money for use this year, the Town needs to close the loan this Fiscal Year.

Mayor Von Gausig informed Council there is a risk at obtaining these funds, if the Town uses the money it will have to find a way to repay those funds and pay the interest on the loan.

Councilmember Williams moved to approve Resolution #1266, authorizing the closing of a Clean Water State Revolving Fund design loan from the Water Infrastructure Finance Authority of Arizona. Seconded by Vice Mayor Wiley. Approved unanimously.
Resolution #1266

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

Agenda item pulled by addendum agenda.

RECOGNITION OF OUTGOING COUNCILMEMBER FRANK SA - Recognition of Sa's Frank Sa's term on the Council.

Mayor Von Gausig thanked Councilmember Sa for his contribution and dedication to the Town, especially in regards to the budget and finance. Councilmember Sa's attention to finance details has made the Mayor more observant while signing checks and asking the finance department for particular information if he did not understand or know.

Councilmember Williams thanked Councilmember Sa for his help and knowledge he has shared with her and the Council in the area of construction.

Vice Mayor Wiley thanked Councilmember Sa for his work with finance in creating the monthly report in an understandable form.

Town Manager Mabery spoke about Councilmember Sa with these memories. She was surprised that Councilmember Williams pulled an item tonight and not Councilmember Sa. At Councilmember Sa's first meeting he pulled an item and has at several meetings since making sure that he knew what was going on in Town. Councilmember Sa spent many hours getting ready for meetings and gathering information the he would share with other members at the meetings. Frank Sa has kept the Town staff on our toes and we thank him for that. Some of the items that Councilmember Sa had influence on are:

- Fire Sprinkler Code

- Gazebo Reconstruction
- Beginning designs on ADOT 89A construction
- Fire District organization
- Town facilities remodel project
- Adopting 1% Construction Sales Tax
- Covered Load Ordinance
- Property Maintenance Code
- Spirit of Clarkdale Award
- Drought Water Code – that is model for the state
- Water Code

Franks Sa was always on the ground level for the Town and would call in to keep the Town informed on issues that were happening.

Town Manager Mabery presented Councilmember Sa with a plaque commending him for his service to the Town.

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

None

ADJOURNMENT - With no further business before the Council and without objection the meeting adjourned at 7:05 PM.

APPROVED:

Doug Von Gausig, Mayor

ATTESTED:

Kathy Bainbridge, Town Clerk

SUBMITTED:

Walt Good, Deputy Town Clerk