

**MINUTES OF THE STUDY SESSION
OF THE TOWN COUNCIL OF THE TOWN OF CHINO VALLEY**

**TUESDAY, FEBRUARY 16, 2016
6:00 P.M.**

The Town Council of the Town of Chino Valley, Arizona, met for a Study Session in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, February 16, 2016.

Present: Mayor Chris Marley; Vice-Mayor Darryl Croft; Councilmember Mike Best; Councilmember Susie Cuka; Councilmember Jack Miller; Councilmember Corey Mendoza

Absent: Councilmember Lon Turner

Staff Present: Town Manager Robert Smith; Finance Director Joe Duffy; Assistant Public Works Director/Town Engineer Michael Lopez; Town Clerk Jami Lewis (recorder)

1) CALL TO ORDER; ROLL CALL

Mayor Marley called the meeting to order at 6:01 p.m.

**2) Discussion regarding use of USDA WIFA refinance savings/proceeds to fund Center Street sewer extension; and the Town's water and sewer extension, buy-in fee, and connection policies.
(Mayor Marley)**

Finance Director Duffy presented an overview of the topics to be discussed, as well as financial details related to the:

- Center Street Sewer Project;
- Mollie Rae Subdivision;
- 2012/2013 SR 89 utility corridor project costs; and
- Impact of properties affected by water and sewer along SR 89.

Council asked about bringing the sewer fund into the black. Msrs. Lopez, Smith, and Duffy stated that there were currently about 1,800 sewer customers. About 2.5 years ago, the calculated number to break even under the existing rate table was 435. The Town had added about 100 homes since then.

Council asked staff to:

- Provide to Council the above information based on today's condition.
- Schedule some sort of celebration when the sewer fund was in the black.

The topics to be discussed, Council's preferences, and staff actions requested were as follows:

Mandatory Hookups

- *Question:* Should the Town maintain its current policy requiring sewer hookups if a sewer line is installed within 400 feet of the property, either residential or commercial?

- *Council and staff discussed:* Methodology for water and sewer extensions along the highway; amortization of connection fees for commercial properties; and current connection costs.
- *Council preferences:* (i) Do not require mandatory hookups on residential properties; and (ii) Continue to require it for commercial properties.

Council asked staff to provide:

- A report on the methodology for water and sewer extensions along the highway.
- A report on any commercial properties amortizing connection costs.

Impact on Future Projects

- *Question:* Should the Town apply its decision only to the Center Street Project, the 89 corridor and/or all future water and sewer projects?
- *Council and staff discussed:* The UDO not providing for any mandatory water connections.
- *Council preferences:* (i) Apply decision to all future sewer projects; and (ii) Strike reference to water projects.

400 Foot Distance

- *Question:* Shall the 400-foot distance be applied to property line, existing septic system, or exit point on the structure?
- *Council and staff discussed:* Pros and cons of using the property line; issues with large acreages and homes far from the property line; and ADEQ stipulations.
- *Council preferences:* Define the distance requirement as 400 feet from the property line for any new construction.

Offer Incentive During Construction

- *Question:* Should the Town waive the entire amount or offer a discount on the current \$6,000 buy-in fee if the property owner connects during construction?
- *Council and staff discussed:* Making the discount a percentage rather than a specific dollar amount; and identifying the amount of discounted connections and possibly using capital reserve funds to defray those costs.
- *Council preferences:* (i) Do not waive the entire amount; and (ii) Offer a 50% rate reduction during construction only.

Trigger Points Requiring Hookup

- *Question:* Shall hookup to the sewer system be mandatory under such conditions as major remodel as determined by the Building Department, septic system failure as governed by ADEQ and Yavapai County, and/or property sale?
- *Council and staff discussed:* Difficulty of monitoring septic system failures; County septic permit requirements; new septic regulations for home sales; the Town's objective to collect effluent; providing discounts as an incentive; concerns about financial burden on large properties; the balance between maintaining individual property rights and the Town's need for effluent; when homes needs grinder pumps; and homes along Center Street set back over 400 feet.

- *Council preferences:* Hookup to the sewer system should be mandatory for none of the above and only for new construction within 400 feet of the selection marking point.

Dry Yard Requirements for New Homes

- *Question:* Should the Town require all new residential construction to install a dry yard line in anticipation of future sewer system expansion from the home's foundation to the lowest point on the property's frontage?
- *Council and staff discussed:* The Town needing a plan of where all lines would be before asking homeowners to invest.
- *Council preferences:* The Town should not require this, but it might be helpful down the road.

Gravity System Requirement for New Development

- *Question:* Should the Town require all new developments to design for a gravity system?
- *Council and staff discussed:* Types of subdivisions; lot sizes; subdivision distances from sewer lines; costliness of package plants; affects on the aquifer from different sized developments; and gravity systems eliminating the need for package plants.
- *Council preferences:* The Town should require this for medium density subdivisions.

Council asked staff to provide definitions for densities.

Incentives to New Developers

- *Question:* Can the Town offer incentives to new developers and what kind?
- *Council and staff discussed:* Types of incentives and lack of impact fees as an incentive.
- *Council preferences:* Consider incentives on a case by case basis.

Large Septic Systems for Commercial Developments

- *Question:* Should the Town allow large septic systems for new commercial developments?
- *Council and staff discussed:* Differences between septic systems and package plants; multi-family situations; considering different tools in a development agreement; and state and county regulations.
- *Council preferences:* The Town should not allow conventional septic systems; but it should allow a package plant or connection to the sewer system.

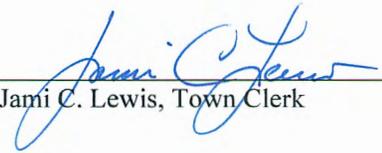
Mayor Marley stated that the next steps were for staff to place these preferences into an ordinance and then hire engineers for the Center Street project.

3) ADJOURNMENT

Mayor Marley adjourned the meeting at 7:42 p.m.


Chris Marley, Mayor

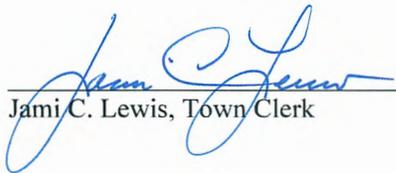
ATTEST:


Jami C. Lewis, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the 16th day of February, 2016. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 8th day of March, 2016.


Jami C. Lewis, Town Clerk