

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

**TUESDAY, SEPTEMBER 20, 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, September 20, 2016.

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

Absent: Councilmember Jack Miller

Staff Present: Town Manager Robert Smith; Assistant Town Manager Cecilia Gritman; Public Works Director/Town Engineer Michael Lopez; Public Works Manager Chris Bartels; Development Services Director Ruth Mayday; Town Clerk Jami Lewis (recorder)

1) CALL TO ORDER; ROLL CALL

Mayor Marley called the meeting to order at 6:00 p.m.

2) Presentation and discussion regarding the status of infrastructure in the Town. (Robert Smith, Town Manager)

Town Manager Smith summarized the study session topics:

- *Topics:* infrastructure, planning, and financing; and departments involved in infrastructure projects.
- *Projects:* EDA-ohm' (OHM) Industrial Park; WIFA-Center Street Sewer Extension; EPA-water system looping; and Road 1 East Extension.
- *Infrastructure projects process:* from concept to Council proposal, approval, funding, engineering, bidding, and contract approval.

Town Engineer/Public Works Director Lopez presented on roads maintenance:

- 2015-2019 chip seal program;
- last year's program costs;
- piggybacking on the County's contract; and
- various types of road resurfacing and costs.

Staff and Council discussed:

- *Chip seal program:* The 2016 spring program did not occur due to the personnel change in engineering, and contracts that were approved in fall 2015 had expired by the time he was able to review them in June 2016. Staff intended to vet the spring 2017 program through the Roads and Streets Committee in October and bring options to Council in the next couple months.
- *Funding:* The town had \$90,000 and needed \$400,000 plus. Staff was using cost benefit analyses to determine how to get the most out of each dollar. Staff believed that

- outsourcing double chip would cost less than doing it in-house.
- *County contract:* The Town could not piggyback on the County's contract in 2016, as the County was only crack sealing this fall and doing it in-house; however, Prescott Valley and Prescott were willing to let the Town piggyback on their contracts.
- *Road surfacing lifecycles:* Currently, the Town could only do single chip, which had a two to five-year lifecycle, due to lack of funds.
- *Maintenance plan:* The Town needed a comprehensive maintenance plan for asphalt. Staff was currently working on this and will use outside professionals to assist.

Public Works Manager Bartels presented on water and wastewater:

Water

- water system current condition;
- water production capability and storage capacity;
- water system design;
- water system demand and population served;
- water quality monitoring;
- dust abatement program; and
- water fill station.

Staff and Council discussed:

- *Water quality testing:* The Town was always in compliance, above and beyond state requirements; and there were no arsenic problems.
- *Water fill station:* The County's west side, as well as those hauling construction water, relied on this water. The current five commercial water haulers helped staff with data collection.
- *OHM water:* The EPA project will bring water from Perkinsville to Road 2 North, and the EDA project will bring it from Perkinsville to OHM.

Wastewater

- wastewater system current condition;
- infrastructure lifecycle;
- wastewater system design;
- system capacity and service connections;
- treatment and testing; and
- recharge.

Staff and Council discussed:

- *Maintenance:* Staff was currently working on a comprehensive maintenance program.
- *Storm water:* Staff did not recommend a combined wastewater/storm water system, as such systems were difficult to operate.
- *Filter replacement project:* Staff will start this project in October 2016.

Mayor Marley recessed the meeting at 7:30 p.m. reconvened it at 7:36 p.m.

Mr. Bartels spoke about proposed water and wastewater improvements:

Water

- update water master plan;
- develop additional water production storage and pressure facility;
- install water distribution storage and pressure facility for south pressure zone south of Center Street;
- expand water infrastructure from Road 3 North to Road 4 South to provide services to the commercial zone along SR 89; and
- negotiate purchase of an additional water company.

Wastewater

- update sewer master plan;
- continue with developing local septage receiving program;
- develop regional septage receiving; and
- expand wastewater collection infrastructure from Road 3 North to Road 4 South to serve the commercial zone along SR 89.

Challenges to accomplish proposed improvements

- funding;
- infrastructure alignment design and construction;
- acquiring right-of-way or easement; and
- acquiring property for construction of central water pressure zone storage and pressure facility.

Council and staff discussed issues related to water and sewer on SR 89:

- Hooking up commercial businesses to Prescott's water system was expensive. Chino Valley citizens needed to understand this so the Town would not be blamed for the lack of economic development.
- Sewer was needed for the same places, but Prescott had no sewer infrastructure.
- It would help if Prescott would turn over their pipes to the Town.

Development Services Director Mayday presented regarding planning:

- types of plans;
- challenges with current plans;
- how plans interrelated;
- general plan overview, elements, and amendment process; and
- specific area plans.

Council and staff discussed:

- *Planning challenges:* The recession, infrastructure deficiencies, and lack of long-term planning had hindered the Town since 2008.
- *Specific Area Plans:* These were used to provide a sense of identity and could be used to encourage specific developments, off-site improvements, and development standards to maximize use of the General Plan. Three current areas of focus were: Road 4 South; Old Home Manor; and Road 2 North/SR 89.

- *Transportation:* The Town's Small Area Transportation Plan provided parameters to developers.
- *Planned Area Developments:* This tool allowed creation of a master plan with flexible density, and was more important now due to impact fees law changes.

Finance Director Duffy presented on local government debt:

- types of local government debt;
- when local governments should issue debt;
- Chino Valley's debt policy and history;
- potential funding sources; and
- other communities' per capita comparisons.

Council and staff discussed:

- *Financing projects:* The Town will have to invest before retail comes. If staff planned projects 10-20 years out, they could better plan for funding.
- *Comparisons per capita:* The Town ranked 21st of 91 municipalities, and ranked in the middle of local communities. Now that the Town's reserves were built up and was financially stronger, it could use debt strategically.
- *Improvement Districts:* This was a tool for a specific demand, such as sidewalks or streetlights, in a specific area that were paid for by the people in that area only.

Council asked staff to provide a comparison of assets to debt. Mr. Duffy stated he would start with Yavapai County.

Mr. Lopez presented updates on several projects:

OHM Industrial Park

- grant history from 2013-2015;
- EDA approved plan for water, sewer, and Road 4 North extensions;
- funding sources and uses; and
- engineer's estimate of costs for water, sewer, and roads.

Council and staff discussed:

- *Funding shortfall:* About 45 days ago, working with consultants, staff found that the roads estimates were \$800,000 over the original estimate due to drainage issues. Using the original design was not an option as upgrades were necessary to provide the best design for the community. EDA suggested to either (a) start over and split the project into two phases; or (b) use deductive bid alternatives (DBAs). Staff did not support option (a) and planned to use option (b), hoping to get good bid prices to meet the grant obligations. If the DBAs were not right, the Town could possibly get money from the ACA. Staff was also looking into using Yavapai County drainage moneys.
- *Drainage improvements:* The Jerome Junction portion could be added as another DBA. As Town officials had told the community that the Road 4 North extension would go in, staff intended to see it through, even if it did not happen as part of this project.

Center Street Project

- project history; and
- funding shortfall and options.

Council and staff discussed the funding shortfall:

- About 45 days ago, staff found that this project was \$340,000 short. Options were to (a) do DBAs, or (b) ask WIFA for additional funding. Staff preferred option (b), which will require a brand new loan. Staff will bring this item to Council on September 27, as the WIFA board was meeting in two weeks. Council will have the option to not approve to the loan after the bids came in.
- Any additional loan amount would not burden the general fund, as the wastewater system was in the black; and the development itself would eventually pay all this back. Staff had asked local contractors for pre-bids and hoped to get competitive prices.

Mayor Marley recessed the meeting at 9:33 p.m. and reconvened it at 9:38 p.m.

Council and staff continued the above discussion:

- Staff was unable to address how the original figures were obtained; however, a lot of these items could have been vetted early if a consultant had gone over them at 15% plans. If Council disapproved the additional loan, he would find ways to stick to the original price.
- The project was still on schedule with bid-letting in November.

Loop Water System-EPA Grant

- project history from 2010-2015;
- project status; and
- engineer's estimate.

Staff reported that the EPA had previously solicited a consultant for the NEPA process, which fell through the cracks. Staff was working with EPA to get it back on track and it was nearly complete.

Road 1 East Improvements

- ADOT intergovernmental agreement (IGA);
- property litigation;
- cost estimates;
- timeframes; and
- drainage effects on neighboring properties.

Council and staff discussed:

- *ADOT IGA:* Per the IGA, the Town was obligated to complete these improvements between Road 3 South to Kalinich.
- *Funding shortfall:* Staff originally planned to do this project in-house. Current staff had to revise the crossings to 25 years instead of 100 years to fit within the budget. If Council pulled these out, they could still meet the IGA's obligations. Options were to break up the project into phases and do in-house or take the road out to bid. Council and staff wanted

to get this project done as soon as possible.

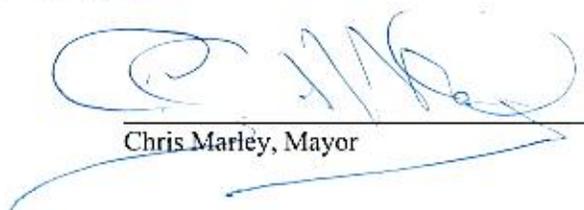
- *Design options:* Some areas needed to be channelized and staff needed to speak with affected property owners. One suggested option was to build the new roads at the current grade, put up “do not cross when flooded” signs, and do the crossings later when the property was ready to develop.
- *Impacts from other new development:* The new construction on Road 4 South should not change the current flow.

Mr. Lopez briefly reviewed other future projects:

- *Road 1 North signal:* ADOT was drafting the IGA.
- *Road 2 North at Road 1 West, school intersection improvements:* Right-of-way acquisition had begun, with construction to begin in summer of 2017.
- *Drainage improvements:* Road 2 South at SR 89; and Pepper Tree channel to Santa Cruz wash.
- *Regional studies:* Northern (Williamson Valley) Center Street connector to SR 89; and SR 89 from Road 3 South to the forest boundary north of Paulden, as a prelude to more SR 89 improvements. Staff had asked the Center Street consultant to include Reed to SR 89 as part of the study.

3) ADJOURNMENT

Mayor Marley adjourned the meeting at 10:11 p.m.



Chris Marley, Mayor

ATTEST:

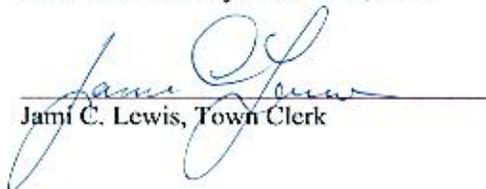


Jami C. Lewis, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the Town Council of the Town of Chino Valley, Arizona held on the 20th day of September, 2016. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 11th day of October, 2016.



Jami C. Lewis, Town Clerk