



Town of Chino Valley

MEETING NOTICE TOWN COUNCIL

REGULAR MEETING
Tuesday, June 12, 2012
6:00 P.M.

Council Chambers
202 N. State Route 89
Chino Valley, Arizona

AGENDA

- 1) **CALL TO ORDER, INVOCATION; PLEDGE OF ALLEGIANCE; ROLL CALL**
- 2) **INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS**
- 3) **CALL TO THE PUBLIC**

Call to the Public is an opportunity for the public to address the Council concerning a subject that is not on the agenda. Public comment is encouraged. Individuals are limited to speak for three (3) minutes. The total time for Call to the Public may be up to 30 minutes per meeting. Council action taken as a result of public comment will be limited to directing staff to study the matter, scheduling the matter for further consideration and decision at a later date, or responding to speaker remarks.

- 4) **RESPONSE TO THE PUBLIC**

Response to the Public is an opportunity for the Mayor to inform the public about how Town officials addressed matters raised during Call to the Public at a previous meeting.

- 5) **CURRENT EVENT SUMMARIES AND REPORTS**

This item is for information only. The Mayor, any Councilmember, or Town Manager may present a brief summary or report of current events, or ask a staff member to provide the same. Presentation on information requested by the Mayor and Council will be made and questions answered. No action will be taken.

- a) Transit System Report for quarter ending March 31, 2012 by Transit Advisory Committee member Ed Steinback. (Robert Smith, Interim Town Manager)
- b) Status report by Town Clerk staff regarding HB 2826, Consolidated Elections. (Jami Lewis, Town Clerk)

6) **CONSENT AGENDA**

All those items listed below are considered to be routine and may be enacted by one motion. Any Councilmember may request to remove an item from the Consent Agenda to be considered and discussed separately.

- a) Consideration and possible action to approve Non-Disclosure and Exclusive Negotiation Agreement between the Town of Chino Valley and Chino Verde, LLC, with regard to water imporation from historically irrigated acres from the Big Chino sub-basin to the Prescott Active Management Area for a period of up to 24 months. (Bill Staudenmaier, Water Attorney)

7) **ACTION ITEMS**

- a) Consideration and possible action to adopt Ordinance No. 12-758 establishing the Town of Chino Valley policy for installation of culverts for driveways within the Town corporate limits, and amending the Town Code Chapter 52 "Rubbish, Trash and the Like," by amending the chapter name, and adding Section 52.02 "Water and Earthen Material Flow" and Section 52.03 "Culverts." (Ron Gritman, Town Engineer)

Recommended Action: Adopt Ordinance No. 12-758 establishing a policy for installation of culverts for driveways within the Town corporate limits;

or

To be determined per Council discussion.

- b) Consideration and possible action to adopt Resolution Number 12-991 to establish speed limits throughout Chino Valley per the recommendations of the Roads and Streets Committee. Funds for speed limit and stop signs to come from Highway User Revenue Fund, roads maintenance road signs line. (Ron Gritman, Town Engineer)

Recommended Action: Adopt Resolution Number 12-991 to establish speed limits throughout Chino Valley per the recommendations of the Roads and Streets Committee.

- c) Consideration and possible action to approve a Professional Services Agreement with Economists.com, Inc. to perform a water and sewer utility rate study in an amount not to exceed \$24,000, with \$12,000 to come from the Water Enterprise Fund, water utilities professional services line and \$12,000 to come from Sewer Enterprise Fund, sewer utilities professional services line. (Ron Gritman, Town Engineer)

Recommended Action: Approve Professional Services Agreement with Economists.com, Inc. to perform a water and sewer utility rate study in an amount not to exceed \$24,000.00.

- d) Consideration and possible action to approve Change Order Number 1 to contract with Sky Engineering Inc. for installation of additional solar panels, both new and donated, and other appurtenances, for the solar energy generation station, in an amount not to exceed \$55,007.06. Funds to come from Sewer Enterprise Fund, EECBG expenditures (solar panel project) line, with reimbursement to come from Department of Commerce Grants in the amount of \$55,000.00; and remaining funds of \$7.06 to come from Sewer Enterprise Fund miscellaneous maintenance line. (Ron Gritman, Town Engineer)

Recommended Action: Approve Change Order Number 1 to contract with Sky Engineering

for the Chino Valley Photovoltaic System in an amount not to exceed \$55,007.06.

- e) Consideration and possible action to amend Chino Valley's Personnel Policy, Policy No. 600, removing Section III D, Pay Advances. (Cecilia Watts, General Services Director)

Recommended Action: Delete Policy No. 600 Section III D, Pay Advances, from the Town's Personnel Policy, effective July 1, 2012.

- f) Consideration, discussion and possible action regarding a request from the Central Arizona Partnership for the Town to contribute \$1.00 per capita to help fund the proposed Greater Prescott Regional Economic Partnership. (Mayor Marley)

Recommended Action: To be determined per Council discussion.

- g) Consideration and possible approval to co-sponsor a resolution being recommended by the City of Prescott, at the request of House Representative Karen Fann, to forward to the League Resolutions Committee pertaining to fireworks sales regulations. (Jami Lewis, Town Clerk)

Recommended Action: To be determined per Council discussion.

- h) Annual reports by Council Committee Chairs and consideration and possible action to review and make changes to the Council Committees roster. (Vice-Mayor Tenney; Mayor Marley)

Recommended Action: To be determined per Council discussion.

- i) Consideration and possible action to schedule a Council retreat to discuss strategic financial planning. (Mayor & Council)

Recommended Action: To be determined per Council discussion.

- j) Consideration and possible action to cancel or reschedule the August 28, 2012 regular meeting due to a conflict with the annual League Conference. (Jami Lewis, Town Clerk)

Recommended Action: To be determined per Council discussion.

- k) Consideration and possible action to approve the May 8, 2012 Regular Meeting minutes. (Absent: Mayor Marley) (Jami Lewis, Town Clerk)

Recommended Action: Approve the May 8, 2012 Regular Meeting minutes.

8) EXECUTIVE SESSION

Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the Town's attorneys on any of the above agenda items pursuant to A.R.S. § 38-431.03(A)(3).

- a) Council may vote to hold an executive session pursuant to A.R.S. § 38-431.03(A)(3) and (A)(4) for discussion or consultation for legal advice with its attorneys and/or to consider its position and instruct its attorneys regarding entering into a Settlement Agreement with Kevin Moran, in connection with Mr. Moran's administrative appeal of a formal grievance, filed pursuant to the Town of Chino Valley Personnel Manual Policy 805. (Sharon Sargent-Flack, Town Attorney)
- b) Consideration and possible action regarding entering into a Settlement Agreement with Kevin Moran, in connection with Mr. Moran's administrative appeal of a formal grievance, filed pursuant to the Town of Chino Valley Personnel Manual Policy 805.
- c) Council may vote to hold an executive session pursuant to A.R.S. § 38-431.03(A)(3) for discussion or consultation for legal advice with its attorneys and/or to consider its position and instruct its attorneys regarding entering into a professional services agreement with Robert Smith, for the provision of municipal management services. (Mayor Marley; Vice-Mayor Carl Tenney)

9) **ADJOURNMENT**

Dated this 7th day of June, 2012.

By: **Jami C. Lewis, Town Clerk**

The Town of Chino Valley endeavors to make all public meetings accessible to persons with disabilities. Please call 636-2646 (voice) or 636-1787 (TDD) 48 hours prior to the meeting to request a reasonable accommodation to participate in this meeting. Supporting documentation and staff reports furnished to the Council with this agenda are available for review on the Town website at <http://www.chinoaz.net/clerk/townagenda.shtml>, and in the Public Library and Town Clerk's Office.

CERTIFICATION OF POSTING

The undersigned hereby certifies that a copy of this notice was duly posted at Chino Valley Town Hall, Chino Valley Post Office, and Chino Valley Aquatic Center in accordance with the statement filed by the Town Council with the Town Clerk.

Date: _____

Time: _____

By: _____
Jami C. Lewis, Town Clerk



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **6. a.**

Meeting Date: 06/12/2012
Contact Person/Dept: Bill Staudenmaier, Water Attorney
Item Type: Consent
Estimated length of staff presentation: None
Physical location of item: Big Chino sub-basin and Prescott Active Management Area

AGENDA ITEM TITLE:

Consideration and possible action to approve Non-Disclosure and Exclusive Negotiation Agreement between the Town of Chino Valley and Chino Verde, LLC, with regard to water importation from historically irrigated acres from the Big Chino sub-basin to the Prescott Active Management Area for a period of up to 24 months.

RECOMMENDED ACTION:

Approve Non-Disclosure and Exclusive Negotiation Agreement between the Town of Chino Valley and Chino Verde, LLC, for a period of up to 24 months.

SITUATION AND ANALYSIS:

The Town of Chino Valley was approached in late 2011 about the potential of entering into an agreement to allow a third party corporation to investigate water importation of a limited quantity of ground water from historically irrigated acres from the Big Chino Groundwater Sub-basin to the Prescott Active Management Area including for the benefit of Chino Valley. The corporation was concerned that it would be expending time and money on studies and other activities and, if it was going to do so, it wanted to have a time period where the studies and information it produced were confidential and where the Town would not negotiate with other parties for the importation of water during the time period at issue. The corporation has since formed Chino Verde, LLC to pursue this agreement and the studies at issue.

The original proposal was to have a six-month (6-month) exclusivity time period but there was going to be significant restrictions on the use of any documentation studies or the like produced and six-months (6-months) was not sufficient time to proceed and complete the work. The Agreement provides for a stepped extension situation where there is an exclusivity period for six-months (6-months) which can be extended for a periods of six-months at a time up to twenty-four (24) months based upon Chino-Verdes' meeting the obligations set forth in the contract.

Fiscal Impact

Fiscal Impact?: No

If Yes, Budget Code:

Available:

Funding Source:

Attachments

Chino Verde Negotiation Agreement

Non-Disclosure and Exclusive Negotiation Agreement between the Town of Chino Valley and Chino Verde, LLC

The Parties to this Agreement, the Town of Chino Valley (the “Town”) and Chino Verde, LLC (“Chino Verde”) (collectively, the “Parties”), are discussing a water importation proposal made by Chino Verde (“Proposal”). In broad terms, the Proposal contemplates a plan whereby the Town will import a limited quantity of groundwater from Historically Irrigated Acres (as defined in A.R.S. §§ 45-551, *et seq.*) (“HIA”) from the Big Chino Groundwater Sub-basin to the Prescott Active Management Area, and Chino Verde will fund such importation in exchange for additional consideration. If the negotiations that are the subject of this Agreement are successful, the Parties intend to enter into a binding agreement to implement the Proposal (the “Importation Agreement”).

Because of the sensitive nature of the information to be exchanged by the Parties in the course of considering the Proposal, all such information shall be subject to the Confidential Information provisions in Section I of this Agreement. Furthermore, because Chino Verde anticipates committing considerable financial resources during the process of evaluating the Proposal, the Parties also agree that they will exclusively negotiate with each other with regard to the Proposal and related issues (or similar concepts) as specified in the Exclusive Negotiation provisions in Section II of this Agreement.

I. CONFIDENTIAL INFORMATION

The Parties agree that all past and future meetings or discussions between the Parties, and documents exchanged by the Parties, concerning the Proposal or any matters ancillary to the analysis of the Proposal are and will be subject to this Agreement. For the purpose of furthering discussion of the Proposal between them, the Parties hereby establish the terms governing the use and protection of certain confidential information as described in this Agreement that one Party may disclose to another Party (the “Recipient”), which information generally relates to the discussion of the Proposal and ancillary issues. Accordingly, the Parties agree regarding the exchange of such information as follows:

1. “Confidential Information” means all material, information, documents, data and other communications (including information in computer software or held in electronic storage media) disclosed by any Party (the “Disclosing Party”) regardless of the form or medium in which transmitted or disclosed, which relates to any of the matters

under consideration in the discussions of the Proposal. Confidential Information includes business, policy and technical information and data even if not related to the discussions of the Proposal if such information is disclosed as a result of the Parties' participation in the discussions of the Proposal. To be considered as Confidential Information, the information must be disclosed in a document, or other tangible form, bearing an appropriate legend indicating its confidential or proprietary nature, or if disclosed orally or visually, it must be identified as confidential at the time of disclosure. Any information or documents exchanged by the Parties prior to the execution of this Agreement, including by the Town and any parent or affiliate of Chino Verde, shall be subject to this Agreement regardless of whether the information bears a legend indicative of its confidential nature or the Parties otherwise identified the information or documents as confidential.

2. The Recipient may use Confidential Information provided by the Disclosing Party only for the purpose of participating in discussions concerning, conducting due diligence in relation to, or evaluations of, the Proposal. The Recipient shall protect such Confidential Information from disclosure to others, using the same degree of care used to protect its own proprietary information of like importance, but in any case using no less than a reasonable degree of care. Recipient may disclose Confidential Information only to its employees, representatives and consultants identified on Exhibit "A" to this Agreement ("Disclosure List"), provided that in all such cases, doing so will assist the Recipient in conducting due diligence or understanding the Proposal and negotiating the Importation Agreement, and provided further that those to whom such Confidential Information is disclosed are bound to protect the received Confidential Information from unauthorized use and disclosure under the same terms and conditions as are set forth in this Agreement. Recipient may modify its Disclosure List by providing the other Party with written notice of the proposed changes, and said changes will then take effect five (5) business days after receipt of the written notice. However, prior to the end of that five (5) day period, the Disclosing Party may provide Recipient with written notice of any reasonable objections to the proposed changes. Such notice shall identify the proposed changes to which the Disclosing Party is objecting and the reasons underlying the objection. Upon Recipient's receipt of the objection notice, both Parties shall attempt to resolve the objection in good faith, but absent a mutually

agreeable resolution, and notwithstanding anything herein to the contrary, the proposed modifications that are the subject of the objection shall not take effect.

3. Confidential Information shared pursuant to this Agreement shall not, by virtue of such sharing, become unsusceptible to discovery pursuant to the Arizona or Federal Rules of Civil Procedure; but such Confidential Information shall retain whatever attorney-client privilege, work-product privilege, or other protection it had before sharing.

4. The restrictions and obligations of this Agreement on use and disclosure of Confidential Information shall not apply to information that:

a. Was in the possession or control of Recipient, free of any obligation or confidence prior to its disclosure by the Disclosing Party pursuant to this Agreement; or

b. Is already in the public domain at the time of disclosure to Recipient by the Disclosing Party or becomes publicly known through no breach of this Agreement or wrongful act of Recipient; or

c. Is received independently by Recipient from a third party free to disclose it without obligation to the Disclosing Party; or

d. Is developed by Recipient independently of, and without reference to, any Confidential Information of the Disclosing Party or any other information that the Disclosing Party has disclosed in confidence to any third party; or

e. Is lawfully required to be disclosed to any governmental agency or is otherwise required to be disclosed by law; provided, however, that the Recipient shall notify the Disclosing Party of any order or request to disclose Confidential Information, or that such an order is being sought or request has been made, as soon as reasonably practical, and in any event no later than two (2) business days after receipt of said order or request, so that the Disclosing Party may have an opportunity to take appropriate action to maintain the confidentiality of such Confidential Information.

5. Without conceding any legal theories or defenses in regard to the following, the Parties understand that, as a political subdivision of the State of Arizona, the Town may be subject to certain disclosure requirements under the Arizona Public Records Act (see A.R.S. §§ 39-101, *et seq.*) and that as such the Town may be required to disclose Confidential Information pursuant to such Act. If the Town receives a request to

review Confidential Information provided to the Town by Chino Verde, and it appears such Confidential Information is or may be subject to the Arizona Public Records Act, the Town shall notify Chino Verde of the request pursuant to Paragraph 4(e) above.

6. Except as provided in Section II, Paragraph 3, or as required by the Arizona Public Records Act or other applicable law, Confidential Information disclosed under this Agreement shall remain the property of the Disclosing Party regardless of location and all such information in tangible form shall be returned to the Disclosing Party promptly upon the termination of this Agreement or upon written request from the Disclosing Party, and shall not thereafter be retained in any form by Recipient. No licenses or rights under any patent, copyright, or trademark are granted or are to be implied by this Agreement in respect to Confidential Information disclosed pursuant hereto.

7. The Parties agree that, in the event of a breach or threatened breach of the terms of this Agreement, the Disclosing Party shall be entitled to an injunction prohibiting any such breach, in addition to any other rights or remedies it may have. The Parties acknowledge that Confidential Information is unique and that disclosure in breach of this Agreement will result in irreparable injury to the Disclosing Party.

8. The Disclosing Party shall not have any liability or responsibility for errors or omissions in, or any business decision made by Recipient in reliance on, any Confidential Information disclosed under this Agreement.

9. Nothing in this Agreement shall be used by either Party as a basis for seeking to disqualify the other Party's attorney from representing the attorney's client in any matter. No attorney shall be prevented, because of the attorney's participation in the exchange of Confidential Information pursuant to this Agreement, from examining or cross-examining any Party, or representative of any Party in any litigation whatsoever.

II. EXCLUSIVE NEGOTIATIONS

1. For a period of six months following execution of this Agreement (the "Exclusive Negotiation Period"), neither Party shall enter into discussions or negotiations, or entertain other proposals, regarding the importation of groundwater from HIA lands owned by the Town in the Big Chino Groundwater Sub-basin for use within the Prescott Active Management Area. Prior to the expiration of the original Exclusive Negotiation Period, Chino Verde may qualify for up to three six-month extensions of the

Exclusive Negotiation Period, which, in each instance, shall automatically take effect upon satisfaction of the following criteria for each extension:

a. First six-month extension: The first six-month extension shall take effect if, at least ten days prior to the expiration of the original six-month period, Chino Verde demonstrates, with reasonable documentary evidence, that it has engaged one or more consultants (“Consultant(s)”) to conduct technical and/or feasibility studies to evaluate the Proposal and the potential components of an Importation Agreement. These studies may include, among other things, the following: (i) geological studies to determine sediment and bedrock limits; (ii) hydrogeological studies to determine aquifer characteristics; (iii) environmental studies to assess potential impacts and mitigation measures; and (iv) engineering studies to determine the best locations for well and distribution system infrastructure (collectively, “Engineering Studies”). Chino Verde shall submit the documentary evidence with a progress report specifying all significant actions that Chino Verde and its Consultant(s) have undertaken during the preceding six months regarding evaluation of the Proposal and the potential components of an Importation Agreement (as used throughout this paragraph, “Consultant(s)” does not include Chino Verde’s attorneys).

b. Second six-month extension: The second six-month extension shall take effect if, at least ten days prior to the expiration of the first six-month extension, Chino Verde demonstrates, with reasonable documentary evidence, that its Consultant(s) are actively conducting due diligence to evaluate the Proposal. Chino Verde shall submit the documentary evidence with a progress report specifying all significant actions that Chino Verde and its Consultant(s) have undertaken during the preceding six months regarding evaluation of the Proposal and the potential components of an Importation Agreement. Chino Verde shall include with the progress report copies of any final reports prepared by Chino Verde’s Consultant(s) concerning the Engineering Studies prepared by those Consultant(s) (“Consultant Reports”).

c. Third six-month extension: The third six-month extension shall take effect if, at least ten days prior to the expiration of the second six-month extension, Chino Verde demonstrates, with reasonable documentary evidence, that all Engineering Studies Chino Verde deems necessary for its initial due

diligence concerning the Proposal have been completed, and negotiations concerning the Importation Agreement have commenced. Chino Verde shall submit the documentary evidence with a progress report specifying all significant actions that Chino Verde and its Consultant(s) have undertaken during the preceding six months to evaluate the Proposal and the potential components of an Importation Agreement. Chino Verde shall include with the progress report copies of all final Consultant Reports.

2. Upon expiration of the Exclusive Negotiation Period (including any extensions), if the Parties have not entered into an Importation Agreement, the Parties shall have no further obligations to engage in exclusive negotiations as set out herein, and this Agreement shall terminate.

3. Upon termination of this Agreement pursuant to the preceding section, each Party shall have a continuing obligation to maintain the confidentiality of all Confidential Information provided by the other Party in a manner consistent with Section I of this Agreement, and each Party shall return all such information in tangible form to the other Party as set out in Section I, Paragraph 6 above, except that the Town may retain copies of any Consultant Reports regarding the Town's water rights, water infrastructure, or real property prepared for purposes of evaluating the Proposal, regardless of which Party funded such Studies. The Town shall be free to use such Consultant Reports, and all data contained therein, for any purpose relating to the Town's importation to and distribution of HIA water within the Town, provided that the Town shall not share the studies or data with any third party for a period of nine (9) months following termination of this Agreement. Additionally, if the Parties enter into an Importation Agreement, the Parties may retain any Confidential Information necessary to implement or enforce the Importation Agreement.

III. MISCELLANEOUS

1. Each individual signing for a Party hereby represents and warrants that he or she is fully authorized to do so, and when so executed this Agreement shall be fully binding on and enforceable against such Party.

2. Each of the Parties hereto has read and understands this Agreement and is executing it after consultation with their own attorneys, who have participated in the negotiation and drafting of this Agreement, and each Party has carefully read this Agreement, has been advised of its meaning and consequences by its respective attorney.

The Parties acknowledge that any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not apply to the interpretation of this Agreement.

3. The time of performance of all obligations under this Agreement is of the essence. In the event the time for performance of any obligation hereunder expires on a Saturday, Sunday or legal holiday, however, then the time for performance shall be extended to the next day that is not a Saturday, Sunday or legal holiday. Each Party shall have a continuing duty to promptly cooperate with the other Party on all matters relating to implementation of this Agreement.

4. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona.

5. The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors-in-interest and assigns, and anyone claiming by, through or under any one of the undersigned Parties.

6. For the convenience of the Parties, this Agreement may be executed in one or more counterparts and each executed counterpart shall for all purposes be deemed an original and shall have the same force and effect as an original, but all of which together shall constitute in the aggregate one and the same instrument. Facsimile or e-mailed signatures shall have the same force and effect as original signatures.

7. Any notices or demands which shall be required or permitted by law or any of the provisions of this Agreement shall be in writing and addressed to the Party at the addresses shown below, or such other addresses as indicated by one Party to the other Party in writing from time to time:

If to Town:	Town of Chino Valley Attention: Town Manager 1020 W. Palomino Road Chino Valley, AZ 86323 Fax: (928) 636-2144
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With a copy to:	L. William Staudenmaier Snell & Wilmer 400 E. Van Buren, Suite 1900 Phoenix, AZ 85004 Fax: (602) 382-6070 E-mail: wstaudenmaier@swlaw.com
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If to Chino Verde: Joseph M. Atkinson
 Atkinson, Hamill & Barrowclough, P.C.
 3550 N. Central Ave., Suite 1150
 Phoenix, AZ 85012
 Fax: (602) 222-4820
 E-mail: joseph.atkinson@azbar.org

All notices and other communications shall be deemed to have been received on (i) the date of receipt, if personally delivered; (ii) the next business day after deposit with an overnight courier with national operations, if transmitted by courier; (iii) the next business day after the date of facsimile transmission, if transmitted by facsimile; (iv) the next business day after the date of e-mail transmission, if transmitted by e-mail; (v) the second business day after the date of first class mailing, postage prepaid. Any hand-delivered notices received on a Saturday, Sunday or on an Arizona State or Federal holiday, or after 5:00 p.m., recipient's local time on a business day, shall be deemed received on the next succeeding business day.

IN WITNESS WHEREOF, each of the Parties hereto has caused this Agreement to be executed by its duly authorized representative.

TOWN OF CHINO VALLEY

By:_____

Title:_____

Date:_____

CHINO VERDE, LLC, a Delaware limited liability company

By:_____

Title:_____

Date:_____



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **7. a.**

Meeting Date: 06/12/2012
Contact Person/Dept: Ron Grittman, Public Works
 Phone: 928-636-2646 x-1223
Item Type: Action-Presentation
Estimated length of staff presentation: 10 minutes
Physical location of item: Town wide

AGENDA ITEM TITLE:

Consideration and possible action to adopt Ordinance No. 12-758 establishing the Town of Chino Valley policy for installation of culverts for driveways within the Town corporate limits, and amending the Town Code Chapter 52 "Rubbish, Trash and the Like," by amending the chapter name, and adding Section 52.02 "Water and Earthen Material Flow" and Section 52.03 "Culverts."

RECOMMENDED ACTION:

Adopt Ordinance No. 12-758 establishing a policy for installation of culverts for driveways within the Town corporate limits;

or

To be determined per Council discussion.

SITUATION AND ANALYSIS:

Ordinance 12-758 will establish a formal written policy regarding the installation and maintenance for culverts installed for private driveways that traverse bar ditches and small drainage ways. The ordinance calls for private citizens who benefit from the installation of these culvert across ditches to maintain them in a satisfactory condition. This includes removal of rubbish, trash, weeds, and accumulated deleterious materials.

The Town of Chino Valley is currently experiencing a severe financial strain and is seeking the adoption of this ordinance in order to provide clear direction for future practices. Because of the Town's financial condition, the adoption of ordinance 12-758 will provide a solid foundation from which future actions will be driven.

Fiscal Impact

Fiscal Impact?: No

If Yes, Budget Code:

Available:

Funding Source:

Attachments

Ordinance 12-758

ORDINANCE NO. 12-758**AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL
OF THE TOWN OF CHINO VALLEY, ARIZONA, AMENDING
CHAPTER 52, “RUBBISH, TRASH AND THE LIKE”, TOWN OF
CHINO VALLEY, ARIZONA, CODE OF ORDINANCES, BY
AMENDING THE NAME, BY ADDING SECTION 52.02, “WATER
AND EARTHEN MATERIAL FLOW,” AND SECTION 52.03,
“CULVERTS”**

WHEREAS, numerous bar ditches, road-side ditches and similar types of drainage improvements (“drainage ditches”) are situated adjacent to public streets within the Town of Chino Valley (“Town”);

WHEREAS, such drainage ditches do not directly correlate to a formalized storm water management plan or to a designated flood hazard boundary map (FHBM) area, as described in Chapter 52 of the Chino Valley Town Code; rather, such drainage ditches exist for the general purpose of removing water from public streets during rainstorms, thereby preserving the integrity of said streets and allowing passage by pedestrian and vehicular traffic;

WHEREAS, the Town constructs drainage ditches, in order to facilitate drainage from and about its roads;

WHEREAS, the Town allows the installation of driveways within the public right of way, so that people may gain access to their property;

WHEREAS, safe access to and from property that is adjacent to a public street containing a drainage ditch may necessitate the installation and/or maintenance of a culvert beneath a driveway or similar access path;

WHEREAS, for a drainage ditch to be operational and effective, any such culvert must not obstruct the flow of water through a drainage ditch;

WHEREAS, the Town is not obligated to install, maintain, or replace a culvert;

WHEREAS, pursuant to Arizona Revised Statutes § 9-499, the Town is authorized to “compel the owner [...] of property to remove rubbish, trash, weeds or other accumulation of filth, debris or dilapidated structures which constitute a hazard to public health and safety from buildings, grounds, lots, contiguous sidewalks, streets, and alleys”;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Common Council of the Town of Chino Valley, Arizona, as Follows:

Section 1. Chapter 52 of the Town of Chino Valley, Arizona, Code of Ordinances (“Town Code”), entitled “Rubbish, Trash and the Like” is hereby amended by amending the title of the Chapter to read “Removal of Rubbish, Trash, and the Like, and Culvert Maintenance” and by adding two Subchapters entitled “Water and Earthen Material Flow,” Section **52.02**, and “Culverts,” Section **52.03**, as follows:

§ 52.02 WATER AND EARTHEN MATERIAL FLOW

(A) IT IS UNLAWFUL FOR ANY PERSON TO WILLFULLY OR NEGLIGENTLY PERMIT OR CAUSE THE ESCAPE OR FLOW OF WATER OR EARTHEN MATERIAL ONTO PUBLIC STREETS OR ADJACENT PROPERTIES IN SUCH A MANNER AS TO CAUSE FLOODING OR TO ENDANGER OR IMPEDE VEHICULAR TRAFFIC OR PEDESTRIAN TRAFFIC. EARTHEN MATERIAL SHALL INCLUDE BUT SHALL NOT BE LIMITED TO SOIL, SILT, CLAY, SAND, GRAVEL, ROCK, DIRT, MUD, ORGANIC MATERIAL, OR A COMBINATION THEREOF.

§ 52.03 CULVERTS; INSTALLATION AND MAINTENANCE

(A) ANY PERSON WITH VALID ACCESS TO A PUBLIC STREET, PURSUANT TO THE UNIFIED DEVELOPMENT ORDINANCE OF THE TOWN, THAT CONTAINS A BAR DITCH, ROAD-SIDE DITCH, OR SIMILAR DRAINAGE IMPROVEMENT (“DRAINAGE DITCH”) MAY (i) BE REQUIRED BY THE CHINO VALLEY PUBLIC WORKS DEPARTMENT TO, UPON SIXTY (60) DAYS NOTICE, INSTALL A CULVERT BENEATH A DRIVEWAY OR SIMILAR ACCESS PATH (“CULVERT”).

(B) ANY PERSON THAT USES AN ACCESS WAY OR DRIVEWAY FROM PROPERTY OWNED OR CONTROLLED BY THEM, WHICH CONTAINS A CULVERT IS RESPONSIBLE FOR MAINTAINING SUCH CULVERT AND SHALL MAINTAIN THE SAME IN A REASONABLE CONDITION. THE TOWN, VIA ITS PUBLIC WORKS DEPARTMENT, MAY PROVIDE WRITTEN NOTICE TO SUCH PERSON, WHO SHALL HAVE THIRTY (30) DAYS FROM THE DATE OF THE NOTICE TO CORRECT THE DEFICIENCIES AND MAINTENANCE OF THE CULVERT.

(C) THE TOWN SHALL NOT BE RESPONSIBLE FOR THE INSTALLATION, MAINTENANCE, OR REPLACEMENT OF A CULVERT.

(D) IT SHALL BE UNLAWFUL FOR A PERSON TO INSTALL OR TO MAINTAIN A CULVERT IN SUCH A MANNER THAT TRAPS WATER OR EARTHEN MATERIAL IN ANY DRAINAGE DITCH, OR THAT OTHERWISE IMPEDES POSITIVE DRAINAGE ALONG OR AWAY FROM THE PUBLIC STREET.

(E) NOTICE PROVIDED BY THIS CHAPTER 52.02 SHALL BE IN WRITING AND MAILED CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE PROPERTY OWNER AND PARTY CONTROLLING THE PROPERTY.

(F) THIS SECTION 52.03 SHALL BE ENFORCED IN THE MANNER PROVIDED IN CHAPTER 10.

Section 2. All other Chapters and Sections of the Town of Chino Valley, Arizona, Code of Ordinances, not herein amended, shall remain in full force and effect.

Section 3. If any provision in this Ordinance is held invalid by a Court of competent jurisdiction, the remaining provisions shall not be affected but shall continue in full force and effect.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona, this _____ day of _____, 2012.

Chris Marley, Mayor

ATTEST:

APPROVED AS TO FORM:

Jami C. Lewis, Town Clerk

Musgrove, Drutz & Kack, P.C.
Town Attorney

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **7. b.**

Meeting Date: 06/12/2012
Contact Person/Dept: Ron Grittmann, Public Works
 Phone: 928-636-2646 x-1223
Item Type: Action
Estimated length of staff presentation: 5 minutes
Physical location of item: Townwide

AGENDA ITEM TITLE:

Consideration and possible action to adopt Resolution Number 12-991 to establish speed limits throughout Chino Valley per the recommendations of the Roads and Streets Committee.

RECOMMENDED ACTION:

Adopt Resolution Number 12-991 to establish speed limits throughout Chino Valley per the recommendations of the Roads and Streets Committee.

SITUATION AND ANALYSIS:

From May 2010 to December 2010, the Engineering Division collected traffic data for major streets of Chino Valley. Automated Traffic Counters were placed on major arterial and collector streets throughout the community. Traffic Counters collected the following data: traffic volume, peak hour traffic, vehicle speeds, 85th percentile speeds, and vehicle classification. Each data set was collected over a period of at least 3 days with most data being collected over a full week.

On March 22, 2011 the Town Council approved Ordinance Number 11-744 that revised section 71.12 "Speed Limits" to bring this section of the Town's code into compliance with Arizona Revised Statutes Statute §28-701. The revision requires that speed limits be established by resolution. The attached resolution is in accordance with section 71.12 "Speed Limits" of the Town's code.

Engineering services compiled the raw data for each section of arterial streets on the east side of Chino Valley. The data was then processed to compute the 85th percentile speed. The 85th percentile is the most frequently used method to set acceptable speed limits within Cities and Towns (AASHTO Policy on Geometric Design of Highways and Streets, Chapter 2.) Factors such as sight distance, intersection frequencies and roadway geometry should also be taken into consideration when setting reasonable speed limits.

The information was presented to the Roads and Streets Speed Limit Sub-Committee. The Sub-Committee examined the existing speeds, the 85th percentile and also drove each of the streets throughout Town to examine sight distance and drivability. After consideration and analysis, the Sub-Committee agreed that some of the speed limits throughout town seemed low, given the low frequency of driveways, few curves and good sight distance. Their recommendations were presented by Engineering Services to the Chief of Police for review. Town Staff and the Sub-Committee both agreed that raising some speed limits and changing stop sign locations were logical and reasonable.

Changing speed limit signs and the addition of stop signs will result in a fiscal impact. The estimated cost of materials is approximately \$60 per sign, which includes the cost of the sign, post and base. The total estimated cost for materials is approximately \$6,500 for the East Side of Chino Valley, and installation of the signs can be performed by Town personnel. Staff recommends funds come from the Highway User Revenue Fund Road Signs Line Item 02-78-5379.

Engineering will also continue to collect data for the community and will work with Roads and Streets Committee on other roadway related issues.

Fiscal Impact

Fiscal Impact?: Yes

If Yes, Budget Code: 02-78-5379

Available: \$9,131

Funding Source:

Funds to come from Highway User Revenue Fund, Roads Maintenance, road signs line.

Attachments

PowerPoint Summary of Speed Limits

Resolution 12-991

Speed Limit Study

East Chino Valley

1-5-2010



Chino Valley Roads and Streets Advisory Board

MEMBERS:

Ron Romley, Vice Mayor
Carl Tenney, Councilmember
Dean Echols, Councilmember

Jack Carnes
Darryl Croft
Robert Justice
Jim Wise

COMMITTEES:

Finance

Dean Echols, Chairman

Standards

Jack Carnes, Chairman

Maintenance

Robert Justice, Chairman

Speed Limits

Jim Wise, Chairman

Chino Valley Roads and Streets Advisory Board

SPEED LIMITS COMMITTEE

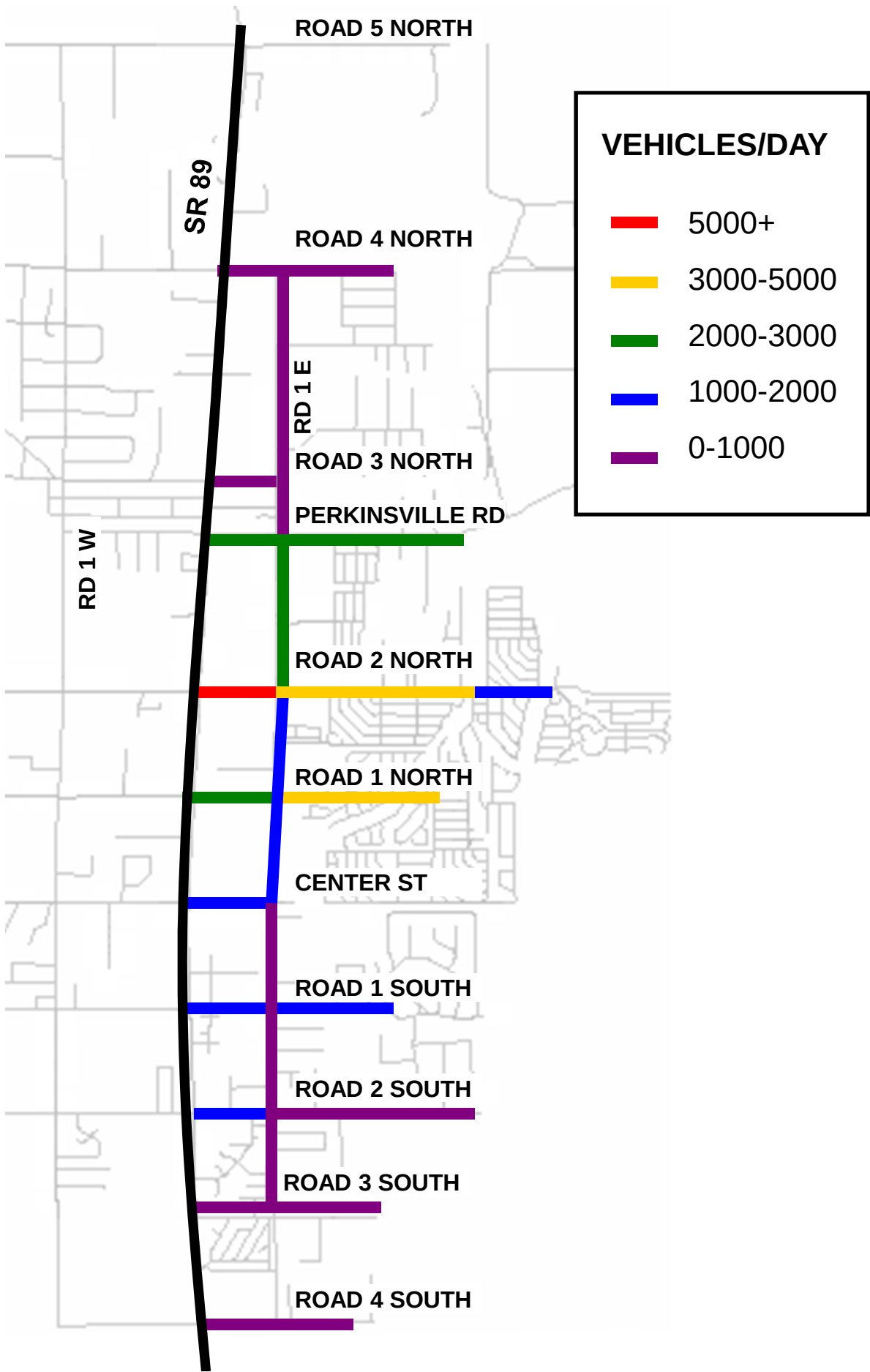
Jim Wise, Chairman

PROCEDURE:

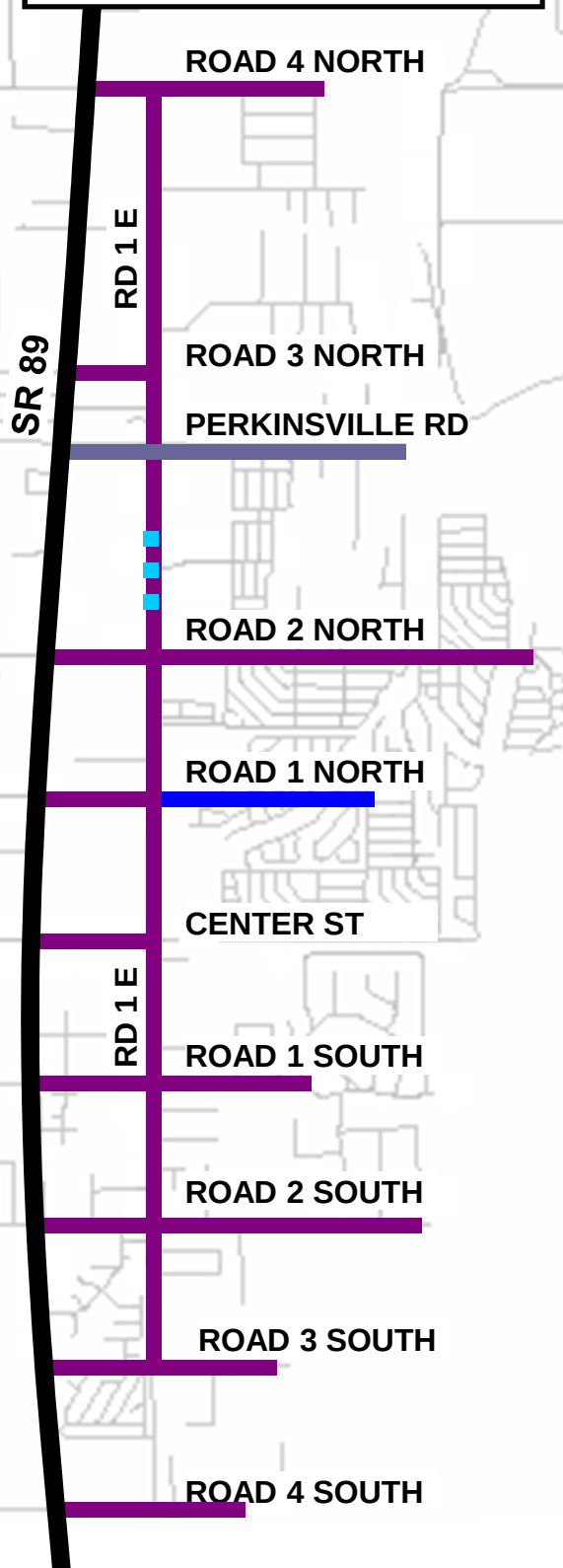
1. Data Collection & Organization
2. Review & Analysis
3. Field Review & Recommendation Development
4. Develop Consensus
5. Present Recommendations to Council
6. Develop School Zone Recommendations as a Separate Issue

SOME EVALUATION CONSIDERATIONS:

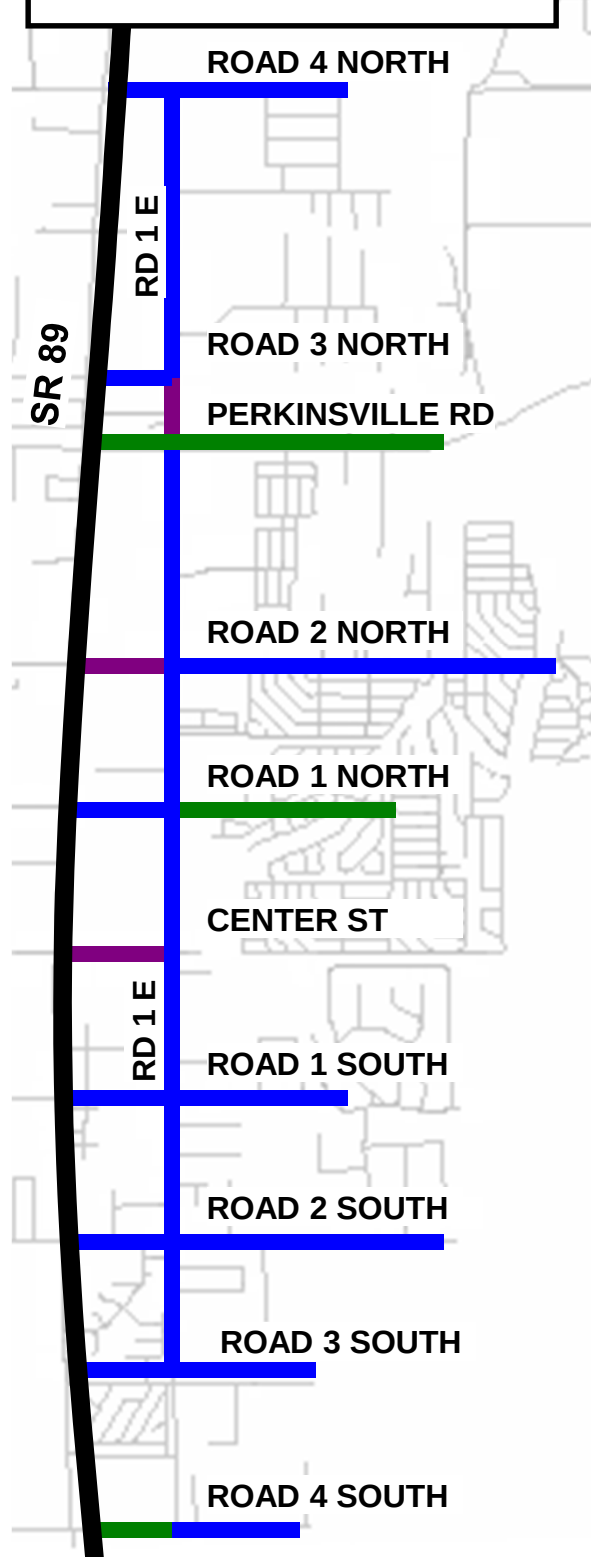
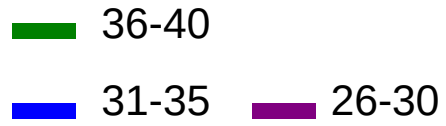
1. Traffic Volumes
 - a) Average Daily Traffic
 - b) Peak Hour Traffic
2. Existing Land Use
 - a) Driveways
 - b) Traffic Generators
3. MUTCD Chapter 4 (Manual on Uniform Traffic Control Devices)
AASHTO Chapter 2 (Amer Assoc. of State Highway & Trans. Officials)
 - a) Existing Speed Limits
 - b) 85th Percentile Speed (the speed at or below which 85% of motorists travel)
 - c) Sight Distance
 1. Stopping, Decision Time
4. Safety
 - a) Schools - Vehicle and Pedestrian Traffic
5. Public Relations
 - a) Enforcement
 - b) Consistency
6. The Law

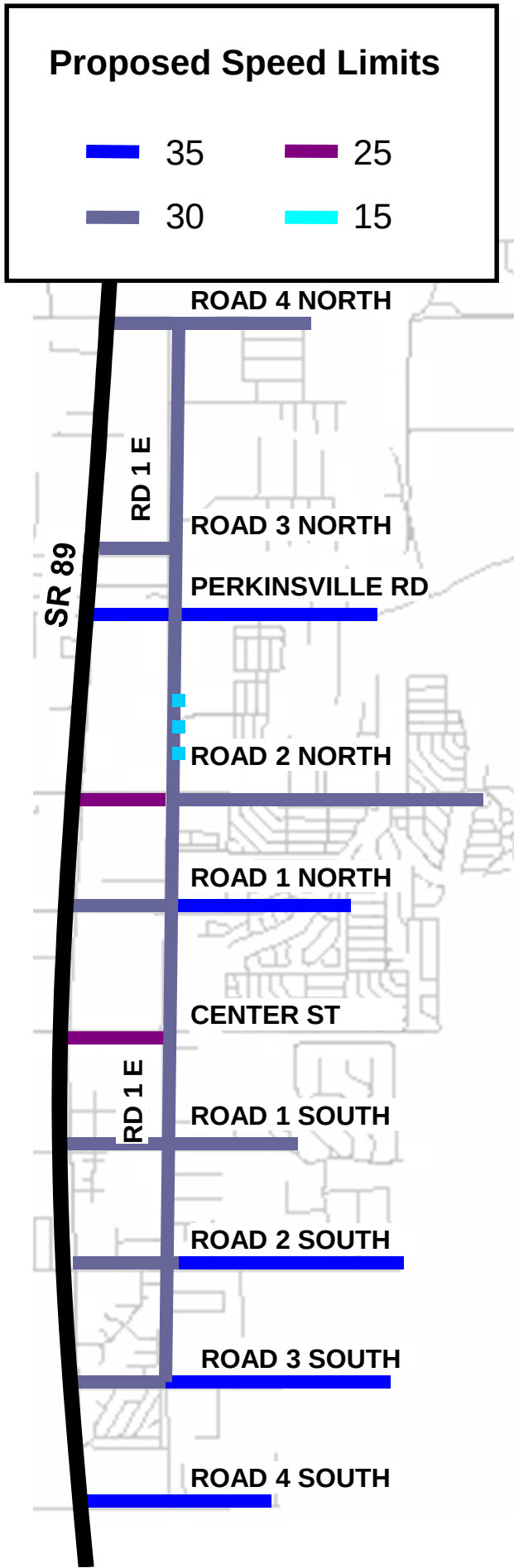
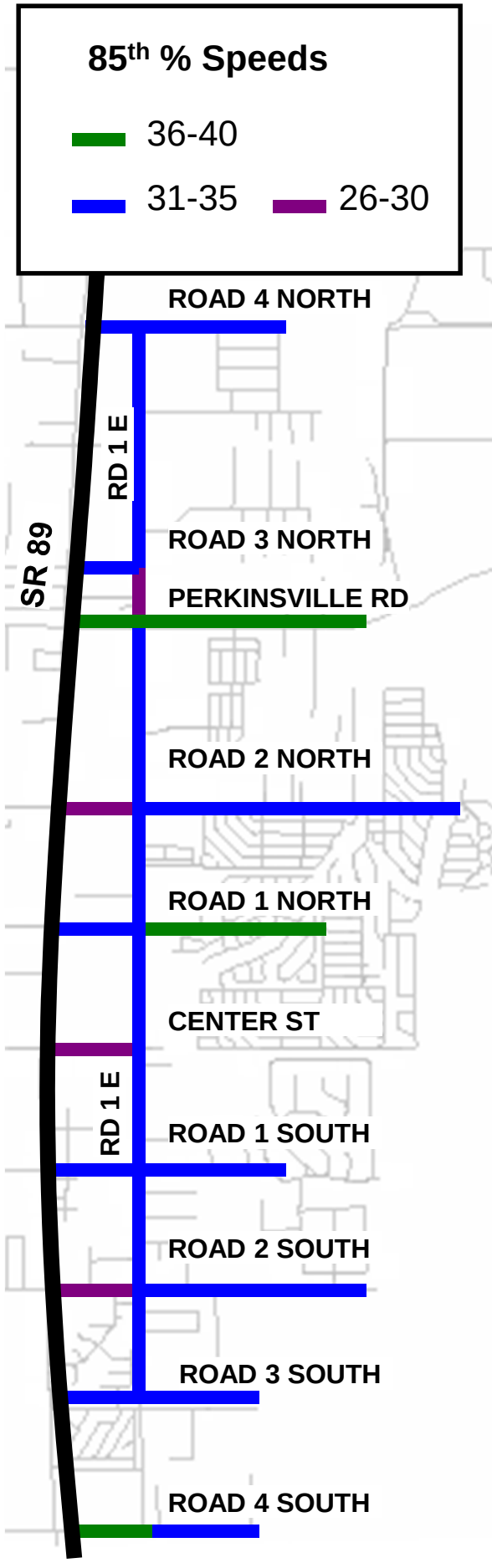


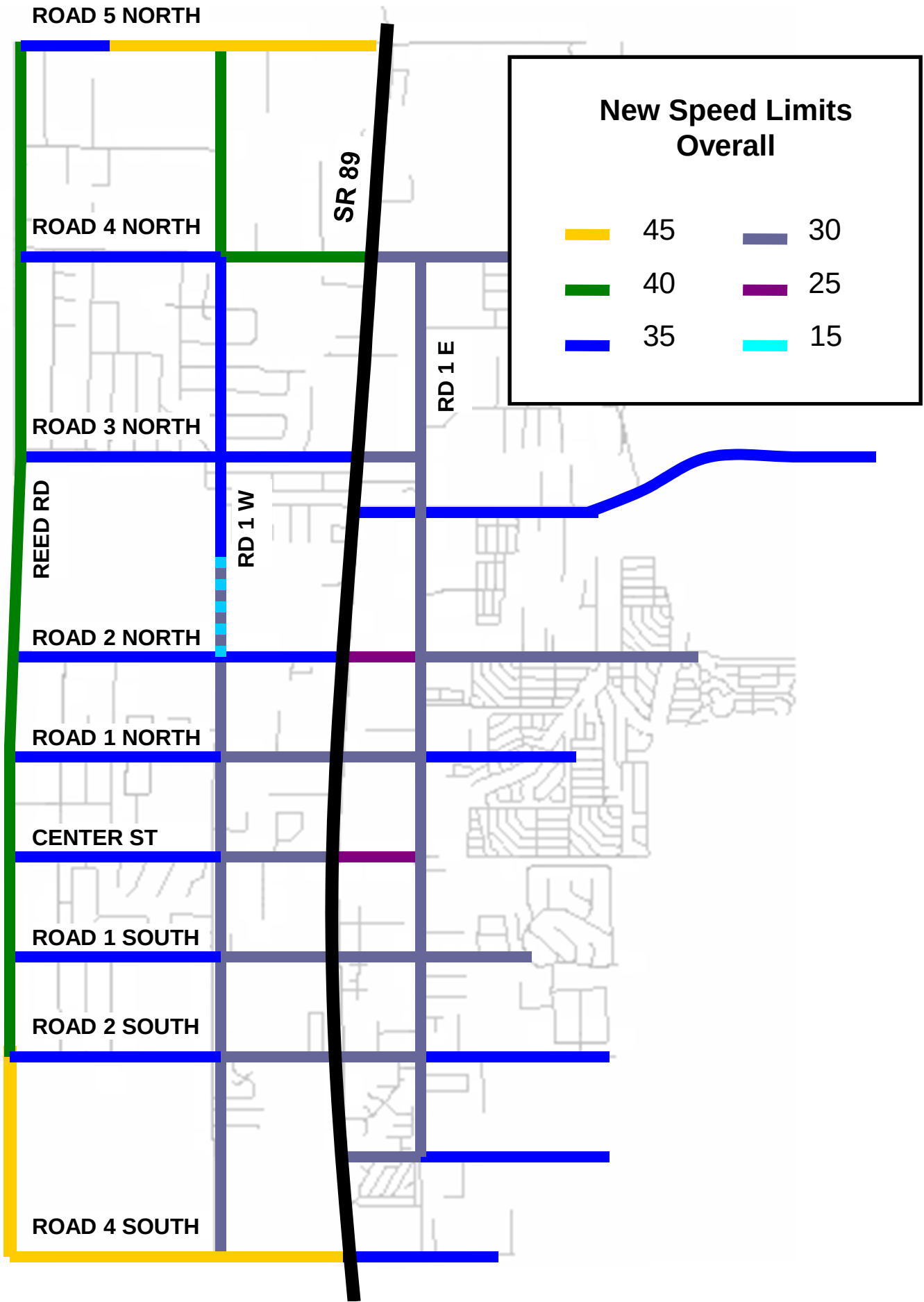
Current Speed Limits

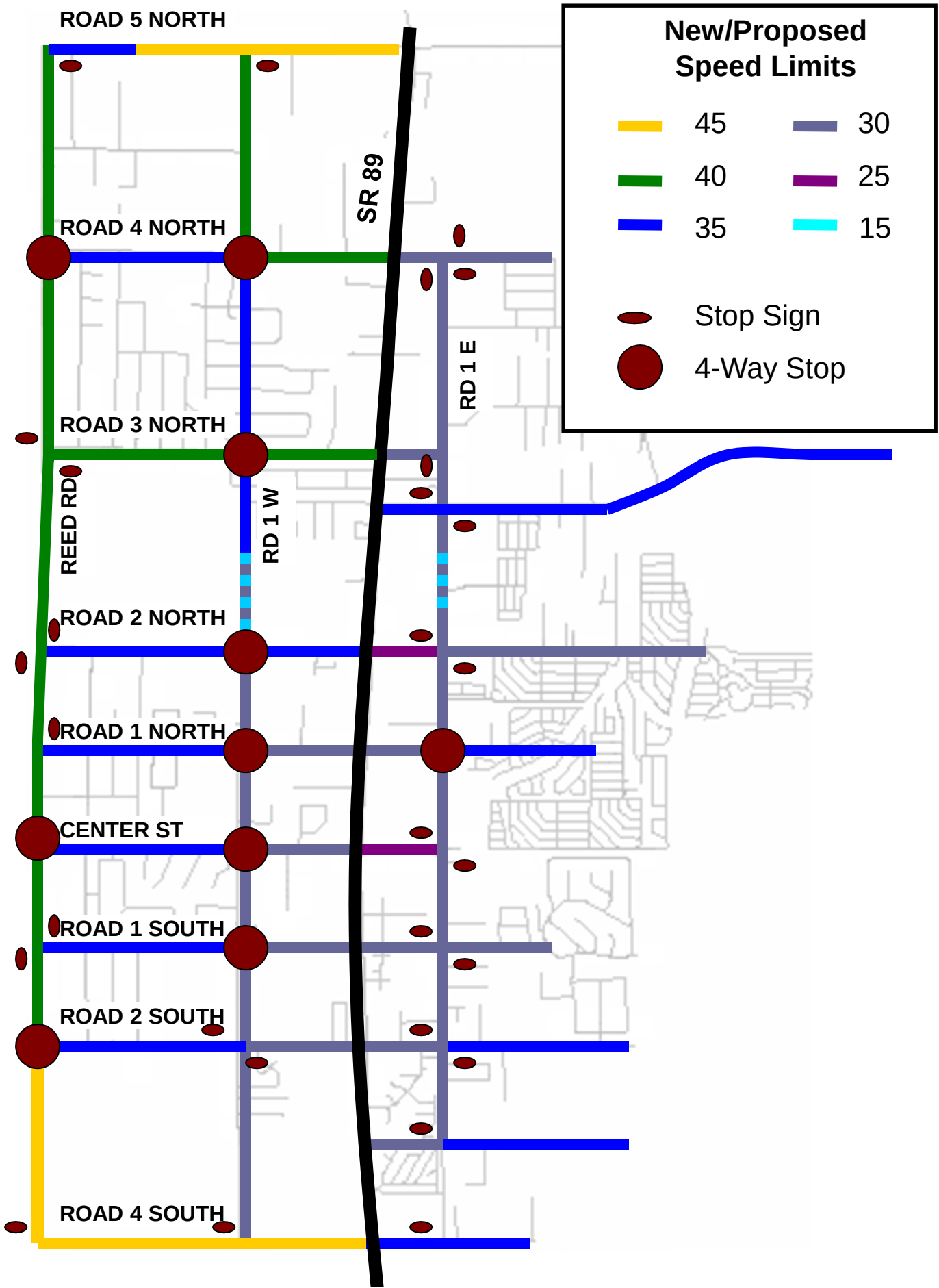


Speeds – 85th %









RESOLUTION NO. 12-991

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, YAVAPAI COUNTY, ARIZONA, TO ESTABLISH SPEED LIMITS ON VARIOUS ARTERIALS AND COLLECTOR STREETS THROUGHOUT THE COMMUNITY

WHEREAS, The Town of Chino Valley has authority pursuant to ARS §28-703 and Ordinance No. 11-744 to adopt speed limits in accordance with an engineering and traffic study; and

WHEREAS, The Town of Chino Valley provides streets and highways in accordance with the 2003 Manual of Uniform Traffic Control Devices; and

WHEREAS, The Public Works/Engineering Department has performed a professional traffic engineering speed study in accordance with the 2003 Manual of Uniform Traffic Control Devices;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, COUNTY OF YAVAPAI, ARIZONA, that the speed limits shall be established in accordance with the professional traffic engineering speed study in accordance with the 2003 Manual of Uniform Traffic Control Devices prepared by the engineering department in accordance with the following table:

Roadway Segment	Starting Point	Ending Point	Speed Limit
Reed Road	Road 5 North	Road 2 South	40
Reed Road	Road 2 South	Outer Loop Road	45
Road 1 West	Road 5 North	Road 4 North	40
Road 1 West	Road 4 North	Road 2 North	35
Road 1 West	Road 2 North	Outer Loop Road	30
Road 1 East	Road 4 North	Road 3 South	30
Road 5 North	Highway 89	3,000 Feet West of Road 1 West at Blind Driveway	45
Road 5 North	3,000 Feet West of Road 1 West at Blind Driveway	Reed Road	35
Road 4 North	Highway 89	Road 1 West	40
Road 4 North	Road 1 West	Reed Road	35
Road 4 North	Highway 89	Arizona Trail	30
Road 3 North	Highway 89	Reed Road	35
Road 3 North	Highway 89	Road 1 East	30

Perkinsville Road	Highway 89	End of Pavement at 3.4 miles east of Highway 89	35
Road 2 North	Highway 89	Reed Road	35
Road 2 North	Highway 89	Road 1 East	25
Road 2 North	Road 1 East	Bright Star	30
Road 1 North	Highway 89	Road 1 West	30
Road 1 North	Road 1 West	Reed Road	35
Road 1 North	Highway 89	Road 1 East	30
Road 1 North	Road 1 East	Cactus Wren	35
Center Street	Highway 89	Road 1 West	30
Center Street	Road 1 West	Reed Road	35
Center Street	Highway 89	Road 1 East	25
Road 1 South	Highway 89	Road 1 West	30
Road 1 South	Road 1 West	Reed Road	35
Road 1 South	Highway 89	Vista Grande	30
Road 2 South	Highway 89	Road 1 West	30
Road 2 South	Road 1 West	Reed Road	35
Road 2 South	Highway 89	Road 1 East	30
Road 2 South	Road 1 East	Eastern End of Roadway	35
Outer Loop Road	Highway 89	Western Town Limit	45
Road 4 South	Highway 89	Eastern End of Roadway	35

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona this 12th day of June, 2012.

Chris Marley, Mayor

ATTEST:

APPROVED AS TO FORM:

Jami C. Lewis, Town Clerk

Musgrove Drutz & Kack, PC,
Town Attorney

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **7. c.**

Meeting Date: 06/12/2012
Contact Person/Dept: Ron Grittman, Public Works
 Phone: 928-636-2646 x-1223
Item Type: Action-Presentation
Estimated length of staff presentation: 10 minutes
Physical location of item: NA

AGENDA ITEM TITLE:

Consideration and possible action to approve a Professional Services Agreement with Economists.com, Inc. to perform a water and sewer utility rate study in an amount not to exceed \$24,000.

RECOMMENDED ACTION:

Approve Professional Services Agreement with Economists.com, Inc. to perform a water and sewer utility rate study in an amount not to exceed \$24,000.00.

SITUATION AND ANALYSIS:

This professional services agreement will allow for Economist.com to development of a water and sewer rate structure based on an analysis of the impacts of the Town assuming the operation and maintenance of the existing 0.5MGD wastewater treatment plant. This will include an analysis of the impacts of the current O&M fee of \$21.00 per connection.

The intent of the development of this rate structure is to determine if the current \$21.00 per equivalent dwelling unit (EDU) paid to Fann Contracting, INC. will be sufficient to support a CIP or other uses. The conclusions of this analysis will be presented to Council at a subsequent meeting and a final report will be generated. The rate model will be turned over to the Town so that future modifications can be run internally.

Fiscal Impact

Fiscal Impact?: Yes
If Yes, Budget Code: 04-82-5212
Available: \$12,000
Funding Source:

Funds to come from Water Enterprise Fund, Water Utilities professional services line.

Fiscal Impact?: Yes

If Yes, Budget Code: 06-83-5212

Available: \$12,000

Funding Source:

Funds to come from Sewer Enterprise Fund, Sewer Utilities professional services line.

Attachments

Proposal

Professional Services Agreement

Portland

Dallas



January 21, 2012

Mr. Ron Grittmann
 Town Engineer
 Town of Chino Valley, Arizona
 1020 W. Palomino
 Chino Valley, AZ 86323

Dear Mr. Grittmann:

Thank you for allowing **Economists.com** the opportunity to present this proposal for an updated Utility Rate Study and Long-Term Financial Plan. This study will update rates for the water and wastewater utilities for the Town of Chino Valley, Arizona ("The Town").

Economists.com is an economic and financial consulting firm with offices in Dallas, Texas and Portland, Oregon. Our principal clients are national, state and local governments. Our firm contains professionals with decades of experience in water and wastewater utility operations and economic/financial management. Our specific water and wastewater services include:

- **Water and Wastewater Rate Studies**
- Sanitation Rate Studies
- Economic evaluation of water resources
- Water Planning and Management
- Connection and Impact Fee Studies
- Expert Witness Testimony on Reasonableness of Rate Structure
- Resource Allocation Studies
- Privatization Analysis
- Economic Impact and Development Studies

More information is available on our firm and professionals at our web site, www.economists.com. We are proud to have served as the Town's rate consultants for the past five years and look forward to continuing to provide such service to the Town.

5500 Democracy Drive, Suite 130, Plano, Texas 75024
 Office: (972) 378-6588 ♦ Fax: (972) 378-6988
 Web Site: www.economists.com

Background

It is our understanding that the Town is seeking to review its water and wastewater rates for Fiscal Year 2012 and beyond. The purpose of this study will be to enable the Town to implement a comprehensive rate design plan that will allow it to meet its financial, debt and operating obligations for the current and future years for the water and wastewater utilities.

The rates assigned to each customer class must be just and reasonable and must reflect national and industry ratemaking standards. Additionally, all alternative rate designs must also incorporate any capital improvements that the Town intends on implementing over the next decade and provide a structure for reserving fund balance and identifying the reserve components within the fund balance.

There are several circumstances that make the development of water and wastewater rates for the Town of Chino Valley unique from many other utilities in the state of Arizona. First and foremost, Chino Valley currently passes through to its wastewater ratepayers a \$21.00 per month fee for the operating contract entered into with Fann Construction. This contract is due to expire in the next 18 months, and afterwards the Town is going to take over ownership and operation of the wastewater treatment facility. Town staff currently forecasts that it can operate the facility for significantly less than \$21.00 per active account per month.

This will result in a net revenue gain for the Town, for which the Town has several options. One potential option will be to reduce rates for its wastewater customers. Another option is to use the additional cash flow to fund capital outlays and additional debt service for capital improvements. Another option would be to fund reserves and contingencies. Still another option may be to raise the buy-in fee to \$6,000 and use a combination of buy-in fees and additional cash flow from the Fann acquisition to fund additional capital improvements.

Yet another option that should be assessed is the impact of the imposition of a potential property tax rate. At what value should this rate be set? How much revenue for capital improvements can it generate? What would be the impact on rates? Is it possible to combine the implementation of a property tax with the reduction in water and wastewater rates?

Another issue that should be assessed within this study is the buy in fee itself. Is it compliant with the recently adopted SB 1525 Impact Fee law? Currently the rate is two-tiered; should this be eliminated and a single fee for all new connections be adopted?

Each of these options should be thoroughly assessed. Many questions must be answered, such as how much debt can be issued (and how quickly), and what will be the impact on the average ratepayers. But before the Council can make the critical policy decisions regarding the funding of its wastewater system, it must have this type of information available to evaluate it.

Finally, the Town must continue to be aware of the fact that the chosen rate plan must be adopted under the terms and guidelines set forth in ARS 9-511. Under state law, the Town must adopt a formal "notice of intent" to adjust its water and wastewater rates at a Council meeting. No less than 30 days after this notice of intent is adopted, the Town must hold a formal public hearing to present the rate plan to ratepayers and solicit input from the general public. After this public hearing the Town may adopt a rate plan to go into effect 30 days after the date of adoption. While this process is admirable in encouraging an open decision process, it also results in additional costs for the project team to attend meetings.

The development of a financial plan that addresses all of these issues and results in a set of alternative options to be evaluated by the Council will be a challenging undertaking. It will involve such tasks as meeting with staff to develop a reasonable set of operating and capital cost guidelines, developing reasonable account, usage and growth forecasts, and forecasting future costs under the Town's management of the wastewater treatment facility.

Further, we highly recommend that the Town evaluate both its water and wastewater rates. First, the Town can capture significant economies of scale in project costs, as the information required to complete water and wastewater analyses typically overlaps. Second, lending authorities such as the Water Infrastructure Finance Authority of Arizona ("WIFA") tend to evaluate a Town's water and wastewater utility together when assessing the Town's utility fund general creditworthiness. Third, if rate adjustments are required, it is typically more advantageous to include all adjustments as part of a combined plan than to complete these tasks on a piecemeal basis.

To assist you in achieving these objectives, Economists.com will provide the following:

- 1) A detailed analysis of water and wastewater rates in central Arizona and other portions of the state. The purpose is to allow the Council to understand the relative burden of the Town's current and proposed water and wastewater rates on its ratepayers, as well as to assess the potential for implementing rate adjustments.
- 2) A detailed report addressing all issues outlined in the paragraphs above. This includes:
 - Impact of the acquisition of the Fann wastewater treatment plant
 - Alternative options for use of the net revenues gained from the Town's operation of the wastewater system
 - Review of and options for the buy in fee – single vs. multi tiered, general increase, level of compliance with SB 1525
 - Impact of a potential property tax on the water and wastewater rate structure
- 3) A ten year forecast of water and wastewater system operating and capital costs, including growth rates, total accounts, forecast usage, capital improvements, etc.
- 4) A detailed report summarizing just and reasonable water and wastewater rate designs for each defined customer class as well as a series of alternate rate designs that will achieve the Town's objectives. The purpose of this is to provide the Town with a set of alternatives from which to choose the most appropriate rate designs for the citizens of Chino Valley.
- 5) The project team will participate in the following meetings as part of the cost of this study:
 - An initial "kick-off" and data gathering meeting with Town staff
 - A work session with Town staff to go over initial analysis and findings
 - A work session with Council to address the draft report and study findings
 - A public hearing to present the chosen alternative rate plan to ratepayers
 - A final meeting to adopt the chosen rate plan.

5500 Democracy Drive, Suite 130, Plano, Texas 75024

Office: (972) 378-6588 ♦ Fax: (972) 378-6988

Web Site: www.economists.com

- Additional meetings would be billed on an additional time and expense basis.
- 6) A detailed water and wastewater cost of service model, as well as a detailed sanitation cost of service model, each developed in Microsoft EXCEL. These models will utilize a set of defined user inputs to automatically calculate rates and the cost of service.

The initial rate recommendations will be presented to the staff and Council 90 days after the completion of data collection.

I will serve as Project Manager for this engagement and will have sole responsibility for its successful outcome. I will also utilize the services of Ms. Becky Schafer, Senior Manager, and Ms. JoLynn Rains, Principal Consultant.

The project fees and out of pocket expenses for this engagement will not exceed **\$24,000**. This cost represents a cap on fees and expenses. Please note that this is nominally less than the cost of the last rate study we prepared for the Town. Considerable economies have been realized due to the fact that we are now familiar with the Town's budget and operation, and the rate models have already been constructed and need only be updated. However, significant new analysis and alternatives have been requested by the Town, and the cost of this, as well as the number of necessary meetings, has served to offset some of the cost savings.

Attached is an initial request for the information we will require to complete this engagement.

If this proposal is acceptable to you, please execute one copy of this letter and return it to our Dallas office. Thank you for this opportunity; we look forward to working with the Town of Chino Valley again.

Very Truly Yours,



Dan V. Jackson
Managing Director

ACCEPTED BY:

Date

**TOWN OF CHINO VALLEY
INITIAL DATA AND INFORMATION REQUIRED FOR
WATER AND WASTEWATER RATE STUDY**

1. Please provide a copy of the Town's FY 2012 water and wastewater budget.
2. Please provide the total gallons of water by month and day produced by the Town at all of its wells and/or treatment plants for all months from October 2009 to the present.
3. Please provide the total gallons of water consumed by month for each of the Town's defined customer classes for all months from October 2009 to the present.
4. Please provide the total number of active water and wastewater accounts for each of the Town's customer classes by month for all months from October 2009 to the present.
5. Please provide water and wastewater revenues by customer class by month for all months from October 2009 to the present.
6. Please provide total gallons treated at the wastewater treatment plant by month for all months from October 2009 to the present.
7. Please provide debt service schedules for all water and wastewater debt currently outstanding.
8. Please provide the most updated version of the Town's long-term capital improvement plan.
9. Please provide a copy of the Town's current water and wastewater rate and buy-in fee ordinances.

PROFESSIONAL SERVICES AGREEMENT

This Agreement ("Agreement") is made effective as of June 12, 2012, by and between TOWN OF CHINO VALLEY, a municipal corporation of the State of Arizona ("Town") and Economists.com, Inc. ("Consultant").

RECITALS

- A. The Town has need of certain services.
- B. Consultant has expertise in the Development of the Town of Chino Valley Utility Water and Sewer Rate Structure and Valuation of Public Works Infrastructure field.

AGREEMENT

NOW THEREFORE, the parties hereto, for good and adequate consideration, the receipt of which is hereby acknowledged, agree as follows:

1. The Consultant shall provide those services to the Town on an as needed basis, as more particularly identified in Exhibit A attached hereto and incorporated herein by reference.
2. In addition to those services identified in the attached Exhibit A, the Consultant shall also perform all subordinate tasks not specifically referenced in Exhibit A, but reasonably necessary to the full or effective performance of the tasks specifically referenced.
3. Consultant shall provide sufficient qualified personnel, upon reasonable notice to perform any and all services as required herein, including but not limited to inspections and preparation of reports, as reasonably requested by representatives of the Town. Consultant agrees and acknowledges that Consultant is solely responsible for the retention and payment of any subcontractors and/or material suppliers retained by Consultant pursuant to this Agreement, and that the payment for the foregoing is included within the total amount to be paid to the Consultant pursuant to Paragraph 6.
4. The term of this Agreement shall be from December 31, 2012 through February 1, 2013. All services identified in Paragraphs 1 and 2 above shall be completed to the satisfaction of the Town no later than February 1, 2013. Notwithstanding the foregoing, this Agreement may be terminated by the Town upon ten (10) days written notice, with or without cause. If this Agreement is terminated, the Consultant shall be paid for services performed to the date of Consultant's receipt of such termination notice.
5. It is expressly agreed and understood by and between the parties that Consultant is an independent contractor, and as such Consultant shall not become a Town employee, and is not entitled to payment or compensation from the Town or to any fringe benefits to which other Town employees are entitled. As an independent contractor, consultant further acknowledges that it is solely responsible for payment of any and all income taxes, FICA, withholding,

unemployment insurance, or other taxes due and owing any governmental entity whatsoever as a result of this Agreement.

6. The Town shall pay to Consultant on a time and materials basis an amount not in excess of the total sum of Twenty Five Thousand Dollars (\$24,000) for fees and costs for the complete performance of all services specified in Exhibit A the hourly rates set forth in Exhibit A. Payment to be made by the Town to the Consultant for the cost of providing services will be based on monthly invoices which will set forth the hourly rates and hours actually worked during the billing period. The Consultant will submit an invoice monthly to the Town for the services and cost of materials incurred for the billing period. The Town shall make payment to the Consultant of one hundred percent (100%) of the approved invoiced amount within thirty (30) days of the Town's receipt of the invoice. The Town shall provide written notice of its disapproval of all or any portion of an invoice, including the basis for disapproval, within thirty (30) days from receipt of the invoice. The Town's payment of an invoice and/or failure to dispute an invoice shall not be a waiver of the Town's right to later dispute the invoice, charges in the invoice or the work performed and referenced in the invoice. Payment of the total amount provided for under this Section 6 shall not relieve Consultant of its obligation to complete the performance of all those services specified in Sections 1, 2 and 3. Prior to the final payment to the Consultant, the Town shall deduct therefrom any and all unpaid privilege, license and other taxes, fees and any and all other unpaid monies due the Town from the Consultant, and shall apply to those monies to the appropriate account. Consultant shall provide to the Town any information necessary to determine the total amount due.

7. All original and/or sealed drawings, specification, and other work product prepared by the Consultant in connection with the services performed under this Agreement (the "Project") are instruments of service for this Project only and shall remain the property of the Town whether the Project is completed or not. Consultant shall not be responsible for any damages resulting from unapproved modification of such work products by the Town or its agents or from their use for any purpose other than that for which they were intended and furnished. All plans, drawings, specifications, data maps, studies and other information, including all copies thereof furnished by the Town shall remain the property of the Town. They are not to be used on other work and, with the exception of this Agreement, are to be returned to the Town on request or at the completion of the services under this Agreement.

8. The Consultant hereby agrees to indemnify and hold harmless the Town, its departments and divisions, its employees and agents, for, from and against any and all claims, liabilities, expenses or lawsuits as a result of the Consultant's participation pursuant to this Agreement, whether said claims, liabilities, expenses or lawsuits arise by the acts or omissions of the undersigned or Consultant's agents. The Consultant further releases and discharges the Town, its departments and divisions, its agents and employees, and any and all persons legally responsible for the acts or omissions of the Town, from any and all claims which the Consultant has or may have against the Town, its agents or employees, arising out of or in any way connected with the Consultant's activities, other than those acts which occur due to the negligence of the Town, its employees or agents.

9. At Consultant's sole expense, the Consultant shall secure and maintain in effect during the term of, and until final acceptance of all work under this Agreement a policy or policies of insurance as follows:

(a) Comprehensive general liability insurance, with a minimum coverage of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate for personal injury, bodily injury and accidental death; and One Million Dollars (\$1,000,000) per occurrence and aggregate for broad form property damage; with blanket contractual coverage, including, but not limited to, the liability assumed under the indemnification provisions of the Agreement.

(b) Commercial/Business Automobile Liability insurance with a minimum coverage for bodily injury and personal injury of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate; and minimum coverage of Five Hundred Thousand Dollars (\$500,000) per occurrence/aggregate for property damage with respect to any owned, leased, hired and non-owned vehicles assigned to or used in the performance of this Agreement. Such policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision which would serve to limit third party action over claims.

(c) Products and completed operations insurance with a minimum coverage of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate.

(d) Fire and extended coverage insurance with an endorsement for vandalism and malicious mischief in Consultant's name and also in the name of the Town in an amount of at least One Hundred Percent (100%) of the amount to be paid by the Town to the Consultant under this Agreement.

(e) Professional liability insurance covering acts, errors, mistakes and omissions arising out of the services performed by Consultant under this Agreement, or any person employed by Consultant, with a minimum coverage limit of One Million Dollars (\$1,000,000) each claim.

(f) Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Consultant's employees engaged in the performance of the services under this Agreement and Employer's Liability insurance of not less than Five Hundred Thousand Dollars (\$500,000) for each accident, Five Hundred Thousand Dollars (\$500,000) disease for each employee, and One Million Dollars (\$1,000,000) disease policy limit.

All insurance and bonds required pursuant to this Agreement must be written by an insurance company duly licensed and subject to legal process within the State of Arizona, to be evidenced by a Certificate of Authority as defined in A.R.S. § 20-217, a copy of which certificate is to be attached to each applicable bond or binder. All insurance required herein shall be maintained in full force and effect until all services required to be performed under the terms of this Agreement are satisfactorily completed and formally accepted; failure to do so may, at the sole discretion of the Town, constitute a breach of this Agreement. Consultant's insurance shall be primary insurance with respect to the Town, and any insurance maintained by the Town shall not contribute to it. Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect coverage afforded under the insurance policies to protect the Town. The insurance policies shall contain a waiver of

transfer rights of recovery (subrogation) against the Town, its agents, officers, officials and employees for any claims arising out of the Consultant's acts, errors, mistakes, omissions, work or service. The insurance policies may provide coverage that contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to the Town, under such policies. The Consultant shall be solely responsible for the deductible and/or self-insured retention. The Town reserves the right to request and to receive, within ten (10) working days, certified copies of any or all of the herein required insurance policies and/or endorsements. The Town shall not be obligated, however, to review same or to advise the Consultant of any deficiencies in such policies and endorsements, and such receipt shall not relieve the Consultant from or be deemed a waiver of, the Town's right to insist on strict fulfillment of the Consultant's obligations under this Agreement. The insurance policies, except Workers' Compensation and Professional Liability, required by this Agreement, shall name the Town, its agents, officers, officials and employees as additional insured. Prior to commencing any services under this Agreement, the Consultant shall furnish the Town with certificates of insurance, or formal endorsements as required by this Agreement, issued by the Consultant's insurer, as evidence that policies providing the required coverage, conditions and limits required by this Agreement are in full force and effect. In the event any insurance policy required by this Agreement is written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of the Consultant's services and as evidenced by annual certificates of insurance. If a policy does expire during the term of this Agreement, a renewal certificate must be sent to the Town fifteen (15) days prior to the expiration date. Insurance required herein shall not expire, be canceled, or materially changed without thirty (30) days prior written notice to the Town.

10. The Consultant, with regard to the work performed in accordance with this Agreement, will not discriminate on the grounds of race, color, national origin, religion, sex, disability or familial status in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The Consultant will not participate either directly or indirectly in the discrimination prohibited by or pursuant to Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, the Age Discrimination Act of 1975 and Executive Order 2000-4.

11. The parties hereto expressly covenant and agree that in the event of a dispute arising from this Agreement, each of the parties hereto waive any right to a trial by jury. In the event of litigation, the parties hereby agree to submit to a trial before the Court. The Consultant further agrees that this provision shall be contained in all subcontracts related to the Project. Should any proceeding or litigation be commenced between the parties hereto concerning the terms of this Agreement, or the rights and duties of the parties hereto, the prevailing party in such proceeding or litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for the prevailing party's attorneys' fees.

12. Consultant understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989.

Under the provisions of A.R.S. § 41-4401, Consultant hereby warrants to Town that the

Consultant and any subcontractor (“Subcontractor”) will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulations that relate to their employees and A.R.S. §23-214(A) (hereinafter “Consultant Immigration Warranty”).

A breach of the Consultant Immigration Warranty shall constitute a material breach of this Agreement and shall subject the Consultant to penalties up to and including termination of this Agreement at the sole discretion of the Town.

The Town retains the legal right to inspect the papers of Consultant or any Subcontractor employee who works on this Agreement to ensure that Consultant or Subcontractor is complying with the Consultant Immigration Warranty. Consultant agrees to assist the Town in regard to any such inspections.

The Town may, at its sole discretion, conduct random verification of the employment records of Consultant and any Subcontractor to ensure compliance with the Consultant Immigration Warranty. Consultant agrees to assist the Town in regard to any random verification performed.

Neither Consultant nor any Subcontractor shall be deemed to have materially breached the Consultant Immigration Warranty if the Consultant or Subcontractor establish that it has complied with the employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214, Subsection A.

13. **General.**

(a) This Agreement is not intended to create any rights on behalf of any third parties.

(b) This Agreement has been made and entered into in the State of Arizona, and shall be governed by the laws of the State of Arizona in all respects, including, without limitation, matters of construction, validity, enforcement, rights, remedies and performance. If any provision of this Agreement is rendered or declared illegal or unenforceable by reasons of any existing or subsequently enacted statute, rule or regulation, or by order of or judgment of a court, all other terms and provisions of this Agreement shall remain in full force and effect as stated and set forth herein.

(c) This Agreement may be executed in multiple counterparts, each of which shall serve as an original for all purposes, but all counterparts shall be construed together and constitute one and the same Agreement.

(d) The parties acknowledge and agree that this Agreement shall not be construed for or against a party solely by virtue of all or any portion of the Agreement having been drafted by a party's attorney.

(e) In the event of a conflict or inconsistency between or among the following documents, the documents shall take priority in the following order: (1) this Professional Services Agreement; (2) Exhibit A attached hereto.

(f) The Consultant and the Town further agree that each will do or cause to be done such further acts and shall execute, acknowledge and deliver such further instructions as may be reasonably required by any of them to fully effectuate the Agreement contemplated herein.

(g) Any amendment to this Agreement shall be in writing and executed by each party hereto.

(h) This Agreement contains the entire understanding among the parties and supersedes any prior written or oral agreements between them respecting the subject matter of this Agreement. There are no representations, agreements, arrangements, or understandings, oral or written, between the parties relating to the subject matter of this Agreement that are not fully set forth herein.

(i) Consultant may not assign any of Consultant's rights and duties under this contract without Town's prior written consent, which may be given or withheld in Town's sole discretion. Any assignment by Consultant without Town's written consent shall be null and void.

(j) This Agreement, and all of the rights and obligations contained herein, shall be binding upon and inure to the benefit of the heirs, legal representatives, successors and permitted assigns of the respective parties hereto.

(k) Time is of the essence in this Agreement.

(l) Pursuant to A.R.S. § 38-511, the Town may cancel this Agreement, without penalty or further obligation, within three years after execution of this Agreement, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Town is, at any time while this Agreement or any extension of this Agreement is in effect, an employee or agent of any other party to this Agreement in any capacity or a consultant to any other party of this Agreement with respect to the subject matter of this Agreement. In addition to the right to cancel this Agreement, the Town may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Town from any other party to the Agreement arising as a result of this Agreement.

(m) All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (i) on the date of service if served personally on the party to whom notice is to be given, or (ii) on the fifth day after mailing if mailed to the party to whom notice is being given, by first class mail, registered or certified, postage prepaid, or (iii) on the day after mailing if mailed to the party to whom notice is being given, by overnight delivery by Federal Express, Airborne or United Parcel Service. Notice shall be sent:

To Town at: Town Manager
Town of Chino Valley
P O Box 406
Chino Valley, AZ 86323

To Consultant at: Mr. Dan Jackson
Economist.com, Inc.
5500 Democracy Drive, Suite 130
Plano, TX, 75024

IN WITNESS WHEREOF, the parties to this Agreement have duly executed the same effective as of the day and year first above written.

Consultant:

_____, an Arizona _____
By: _____

Town:

TOWN OF CHINO VALLEY

By: _____

APPROVED AS TO FORM

MUSGROVE, DRUTZ & KACK, PC
Town Attorney**ATTACHMENTS:**

EXHIBIT A is the scope of work that describes the development of a water and sewer rate structure based on an analysis of the Town's utility rate structure based on the following:

To assist you in achieving these objectives, Economists.com will provide the following:

- 1) A detailed analysis of water and wastewater rates in central Arizona and other portions of the state. The purpose is to allow the Council to understand the relative burden of the Town's current and proposed water and wastewater rates on its ratepayers, as well as to assess the potential for implementing rate adjustments.
- 2) A detailed report addressing all issues outlined in the paragraphs above. This includes:
 - a. Impact of the acquisition of the Fann wastewater treatment plant
 - b. Alternative options for use of the net revenues gained from the Town's operation of the wastewater system
- 3) A ten year forecast of water and wastewater system operating and capital costs, including growth rates, total accounts, forecast usage, capital improvements, etc.
- 4) A detailed report summarizing just and reasonable water and wastewater rate designs for each defined customer class as well as a series of alternate rate designs that will achieve the Town's objectives. The purpose of this is to provide the Town with a set of alternatives from which to choose the most appropriate rate designs for the citizens of Chino Valley.
- 5) The project team will participate in the following meetings as part of the cost of this study:
 - a. An initial "kick-off" and data gathering meeting with Town staff
 - b. A work session with Town staff to go over initial analysis and findings
 - c. A work session with Council to address the draft report and study findings
 - d. A public hearing to present the chosen alternative rate plan to ratepayers
 - e. A final meeting to adopt the chosen rate plan.
 - f. Additional meetings would be billed on an additional time and expense basis.
- 6) A detailed water and wastewater cost of service model, as well as a detailed sanitation cost of service model, each developed in Microsoft EXCEL. These models will utilize a set of defined user inputs to automatically calculate rates and the cost of service.



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **7. d.**

Meeting Date: 06/12/2012
Contact Person/Dept: Ron Gritman, Public Works
 Phone: 928-636-2646 x-1223
Item Type: Action-Presentation
Estimated length of staff presentation: 5 minutes
Physical location of item: Wastewater Treatment Plant at Old Home Manor

AGENDA ITEM TITLE:

Consideration and possible action to approve Change Order Number 1 to contract with Sky Engineering Inc. for installation of additional solar panels, both new and donated, and other appurtenances, for the solar energy generation station, in an amount not to exceed \$55,007.06.

RECOMMENDED ACTION:

Approve Change Order Number 1 to contract with Sky Engineering for the Chino Valley Photovoltaic System in an amount not to exceed \$55,007.06.

SITUATION AND ANALYSIS:

Over the last two years, the Town of Chino Valley has been awarded two Department of Commerce Energy Grants for the installation of solar panels at the wastewater treatment plant. The first grant is in the amount of \$91,307.24 and the second grant is in the amount of \$93,700.00. On April 4, 2012, the Town of Chino Valley was notified that we have received an additional \$55,000 for additional solar panels. This change order will install approximately 66 additional solar edge panels, 50 Enphase panels, and 70new ARRA compliant panels.

As with all grants, there are some daunting restrictions placed on the use of monies. The most significant grant requirement is that all components purchased with these funds and all labor used to install the appurtenances must be qualified as “American Made” and paid as Davis Bacon wages.

This change order will simply modify an existing contract that the Town of Chino Valley has with Sky Engineering, Inc. All ARRA and Davis Bacon requirements have already been met under the original contract.

The grant award calls for the Town to contribute \$5,000 as a match. This will accomplished through in-kind services for engineering and inspection.

Fiscal Impact**Fiscal Impact?:** Yes**If Yes, Budget Code:** 05-90-5497**Available:** \$64,993**Funding Source:**

Funds to come from Sewer Enterprise Fund, EECBG expenditures (solar panel project) line, with reimbursement to come from Department of Commerce Grants in the amount of \$55,000.00.

Fiscal Impact?: Yes**If Yes, Budget Code:** 06-83-5247**Available:** \$19,288**Funding Source:**

Funds of \$7.06 to come from Sewer Enterprise Fund miscellaneous maintenance line.

AttachmentsChange OrderGrant Award Letter



4/19/2012

2190 Rodeo Drive
Chino Valley, AZ 86323

***Photovoltaic Addition
For
Chino Valley Water Treatment Facility
Chino Valley, Arizona***

SKY Renewable Energy is pleased to provide you with a change order proposal for the Chino Valley Water Treatment Facility Solar Installation to add additional modules to the system.

Price Breakdown:

Solar Edge Power Optimizer (66)	\$ 6,045.44
Enphase Micro-Inverter M210 (50) + Wiring Harnesses	\$10,094.70
Barb Wire (485 lf)	\$ 2,385.00
Wire and Misc. Material	\$ 3,758.00
Labor (Davis Bacon Wages)	\$ 7,224.95
Additional ARRA Compliant 235watt Modules (70)	\$20,562.50
Overhead & Profit (10%)	\$ 5,007.06
Total	\$55,077.65

Should you have any questions or comments please do not hesitate to give me a call.

Sincerely,

Shawn Stutzman
General Manager
623-363-7460



Janice K. Brewer
Governor

State of Arizona
Governor's Office of Energy Policy

Leisa Brug
Director

April 4, 2012

Via email: rgrittman@chinoaz.net

Mr. Ron Grittman
Public Works Director
Town of Chino Valley
1030 W. Palomino Road
Chino Valley, AZ 86323

Re: RFGA No. EW-ESA-12-2213-00
Energy Efficiency Conservation Block Grant
Contract No. EW-ESA-12-2213-02

Dear Mr. Grittman:

Your application to provide an Energy Efficiency Conservation Block Grant Program for the Governor's Office of Energy Policy has been accepted. Your grant application was evaluated in accordance with A.R.S. §41-2701, et. seq. and the evaluation criteria in the RFGA. A countersigned copy of your Offer and Acceptance Form is attached. The contract period shall be from April 1, 2012 through July 31, 2012. The amount of your contract award is \$55,000.00. The committed match amount is \$5,000.00. Hard copies of this notice and attachment will be mailed April 4, 2012.

This office requires a current copy of your Certificate of Insurance, in the types and amounts stated in the contract. It is the awardee's responsibility to ensure that all required coverage is in full force and effect during the term of the contract and shall not serve to limit any liabilities or any other subgrantee obligations. Copies of the applicable Certificate of Insurance shall be sent to:

State of Arizona
Governor's Accounting Office
1700 West Washington Street, Suite 500
Phoenix, AZ 85007
Attn: Sarah Bean, Mail Code: 42100

Congratulations on your contract award! The Governor's Office of Energy Policy looks forward to a mutually beneficial relationship during this contract period. Should you have any questions, please contact me at sbean@az.gov.

Sincerely,

A handwritten signature in cursive script that reads "Sarah Bean".

Sarah Bean
Procurement Manager

Enclosure

cc: Lisa Henderson, EECBG Program Administrator



STATE OF ARIZONA
Governor's Office of Energy Policy
REQUEST FOR GRANT APPLICATION
RFGA No. EW-ESA-12-2213-00

**Governor's Office
of Energy Policy**

1700 W. Washington
Phoenix, AZ 85007

SCOPE OF WORK

OFFER

TO THE STATE OF ARIZONA:

The Undersigned hereby agrees, if awarded a grant, to all terms, conditions, requirements and amendments in this solicitation document and any written exceptions, as accepted by the Governor's Office of Energy Policy, in the application.

Arizona Transaction (Sales) Privilege Tax License No.: _____

For clarification of this offer, contact:

Name: Ron Gritman, P.E.

Federal Employer Identification No:

86-0256834

Email Address: rgritman@chinoaz.net

Phone: (928) 636-7140

FAX: (928) 636-7141

Town of Chino Valley

Entity Name

1020 W. Palomino Road

Address

Chino Valley AZ 86323-0406
City State Zip

[Signature]
Signature of Person Authorized to Sign Offer

Ron Gritman

Printed Name

Public Works Director/Town Engineer
Title

CERTIFICATION

By signature in the Offer section above, the bidder certifies:

1. The submission of the offer did not involve collusion or other anti-competitive practices.
2. The applicant shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 99-4 or A.R.S. §§ 41-1461 through 1465.
3. The applicant has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. In Accordance with A.R.S. §35-391, the applicant hereby certifies that the offeror does not have scrutinized business operations in Iran.
5. In Accordance with A.R.S. §35-393, the applicant hereby certifies that the offeror does not have scrutinized business operations in Sudan.

ACCEPTANCE OF OFFER

The Offer is hereby accepted.

The Contractor is now bound to sell the materials or services listed by the attached contract and based upon the solicitation, including all terms, conditions, specifications, amendments, etc., and the Contractor's Offer as accepted by the State. The contract shall henceforth be referred to as Contract No. EW-ESA-12-2213-02. The Contractor has been cautioned not to commence any billable work or to provide any material or service under this contract until Contractor receives purchase order, contract release document or written notice to proceed.

State of Arizona

Awarded this 1st day of April 2012

[Signature]
Chief Procurement Officer

EW-ESA-12-2213-02

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **7. e.**

Meeting Date: 06/12/2012
Contact Person/Dept: Cecilia Watts, General Services
 Phone: 928-636-2646 x-1202
Item Type: Action-Presentation
Estimated length of staff presentation: 5 minutes
Physical location of item: N / A

AGENDA ITEM TITLE:

Consideration and possible action to amend Chino Valley's Personnel Policy, Policy No. 600, removing Section III D, Pay Advances.

RECOMMENDED ACTION:

Delete Policy No. 600 Section III D, Pay Advances, from the Town's Personnel Policy, effective July 1, 2012.

SITUATION AND ANALYSIS:

The Town Council adopted the Town's Personnel Policy on 9/12/2002 under Resolution 651. Town staff is recommending deleting Policy No. 600, III D. Pay Advances. This section reads:

Pay Advances: An employee who is experiencing financial difficulties may request a pay advance from his or her supervisor. The employee must have worked a sufficient number of hours, or have sufficient accrued vacation hours available to equal the amount of the advance. Pay advances will be deducted from the employee's next regular scheduled pay check. Pay advance requests must be recommended by the appropriate department head and approved by the Town Manager to be paid.

Staff would like this section of this particular policy deleted. Very few employees utilize this benefit, and it is felt that it is not a responsible use of the financial resources of the Town. The work involved by staff to prepare and track advances appears to outweigh the slight benefit received by only a few staff members.

This deletion of this section of the policy was communicated to staff in employee meetings in early May 2012. Staff is recommending this become effective 7/1/2012.

Fiscal Impact

Fiscal Impact?: None

If Yes, Budget Code:

Available:

Funding Source:



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **7. f.**

Meeting Date: 06/12/2012
Contact Person/Dept: Mayor & Council
Item Type: Action
Estimated length of staff presentation: None
Physical location of item: N/A

AGENDA ITEM TITLE:

Consideration, discussion and possible action regarding a request from the Central Arizona Partnership for the Town to contribute \$1.00 per capita to help fund the proposed Greater Prescott Regional Economic Partnership.

RECOMMENDED ACTION:

To be determined per Council discussion.

SITUATION AND ANALYSIS:

The Mayor and Council have received a request from the Central Arizona Partnership (CAP) with regard to establishing a regional economic entity, the Greater Prescott Regional Economic Partnership. They are asking that all participating entities contribute \$1.00 per capita to help fund the new entity.

CAP, in its letter dated March 28, 2012, states that:

"...in order for our area to continue to economically compete in drawing new business, a regional economic entity must be established. To that end CAP wishes to follow up with you on our previous conversations in forming a regional economic group. The Board of Directors of CAP maintains their commitment to establish this regional entity, the Greater Prescott Regional Economic Partnership. A subcommittee of CAP's Directors was formed and they are diligently working on finalizing a comprehensive business plan...

...we request you to set \$1.00 per capita aside to help fund this worthy partnership that will help ensure our communities are prepared and prosper in our coming decade. In addition to the areas' local municipalities, CAP has targeted and achieved commitment from a number of large private sector establishments that endorse this partnership."

Fiscal Impact

Fiscal Impact?: Yes

If Yes, Budget Code: TBD

Available: TBD

Funding Source:

As this is not a budgeted item, the funding source for a possible \$10,817 will have to be determined.

Attachments

Letter from CAP

CENTRAL ARIZONA PARTNERSHIP

Advocating Responsible Growth

March 28, 2012

Board of Directors

Comer Wadzeck, President
Dane Beck, Vice President
Jeff Wasowicz, Past President
Matt Holdsworth, Treasurer
Sandy Griffis, Secretary
Travis Bard
Tim Barnett
Bob Been
Don Biele
Mike Fann
Paul Roberts
Steve Sischka
Cheryl Smith
Steve Walker

Ex Officio

Ab Jackson
Dave Maurer
Marnie Uhl

Town of Chino Valley
Mayor Marley and Council Members
1020 Palomino Road
Chino Valley, AZ 86323

Re: Regional Economic Cooperation

Dear Mayor Marley and Council Members:

We hope you were able to make our last breakfast featuring Immediate Past Chairman of Greater Phoenix Economic Council and Arizona Cardinals President Michael Bidwill and CEO and Founder of Arizona Land Advisors Greg Vogel. We had a great turnout and it was clearer than ever that in order for our area to continue to economically compete in drawing new business, a regional economic entity must be established. To that end, Central Arizona Partnership wishes to follow up with you on our previous conversations in forming a regional economic group.

The Board of Directors of Central Arizona Partnership maintains their commitment to establish this regional entity, the Greater Prescott Regional Economic Partnership. A subcommittee of Central Arizona Partnership's Directors was formed and they are diligently working on finalizing a comprehensive business plan that will be available by May 1st.

As we are aware you are currently looking at budgets for your upcoming fiscal year, we request you to set \$1.00 per capita aside to help fund this worthy partnership that will help ensure our communities are prepared and prosper in our coming decade. In addition to the areas local municipalities, Central Arizona Partnership has targeted and achieved commitment from a number of large private sector establishments that endorse this partnership.

Should you have any comments on this partnership, we encourage you to speak with any Central Arizona Partnership board member.

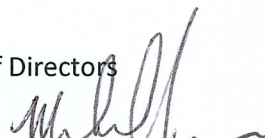
We appreciate your pledge toward our community.

Sincerely,

Central Arizona Partnership Board of Directors



Tim Barnett



Mike Fann



Comer Wadzeck

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **7. g.**

Meeting Date: 06/12/2012
Contact Person/Dept: Jami Lewis, Town Clerk
 Phone: 928-636-2646 x-1208
Item Type: Action
Estimated length of staff presentation: None
Physical location of item: Town Wide

AGENDA ITEM TITLE:

Consideration and possible approval to co-sponsor a resolution being recommended by the City of Prescott, at the request of House Representative Karen Fann, to forward to the League Resolutions Committee pertaining to fireworks sales regulations.

RECOMMENDED ACTION:

To be determined per Council discussion.

SITUATION AND ANALYSIS:

On May 29, 2012, staff received the following request from Joe Brehm, Assistant to the City Manager, with the City of Prescott:

"The City of Prescott is sponsoring a resolution for the upcoming League of Arizona Cities and Towns conference relating to Representative Karen Fann's legislation HB2361 Fireworks Regulation. Although her bill failed, this resolution was drafted to match Representative Fann's original version of her bill which sought to give each municipality and county the ability to regulate the **SALE** and use of consumer fireworks. We have been working with Representative Fann on this issue and she assures us that she will reintroduce the bill again next legislative session. She has asked that we adopt a resolution via the League's Resolutions Committee to show our support for her bill. The most notable provision of her bill and this resolution is that it is not a mandate to outlaw consumer fireworks. It simply gives each elected body the opportunity to decide if it wishes to permit the sale of consumer fireworks. The City of Prescott is seeking co-sponsors for the attached resolution. A co-sponsor is required by the League for any resolution to be considered at the conference. By co-sponsoring, you are not forcing your committee representative to vote yes for the measure at the conference. Co-sponsorship merely indicates that the resolution is important enough to be discussed and considered at the Resolution Committee meeting. The deadline for submitting resolutions to the League is June 15th. Therefore, if anyone wishing to

co-sponsor our resolution could let me know by Monday June 14th I would greatly appreciate it."

Should Council elect to co-sponsor this bill, staff will inform Mr. Brehm.

Fiscal Impact

Fiscal Impact?: No

If Yes, Budget Code:

Available:

Funding Source:

Attachments

Fireworks League Resolution

**LEAGUE OF ARIZONA CITIES & TOWNS
RESOLUTION FORMAT**

Requests that A.R.S. 36-1606, concerning consumer fireworks regulation; state preemption; further regulation of fireworks by local jurisdiction, be amended to allow an incorporated city or town and a county within the unincorporated areas of the county to regulate the sale and use of permissible consumer fireworks.

Submitted by: City of Prescott

* * * * *

A. Purpose and Effect of Resolution

In 2010, the Arizona State Legislature lifted the statewide ban of the sale of consumer fireworks. The legislature allowed municipalities to ban the use of consumer fireworks within the municipality's incorporated limits but not the sale. This resolution seeks to enable the elected governing body of each municipality and county in Arizona to decide for their constituents whether or not to allow the sale in addition to use of consumer fireworks within their geographic boundaries.

On May 2nd 2011, a fire was started in the backyard of a home in Prescott Valley, Arizona as a result of an unattended 11 year old boy playing with a consumer firework (sparkler). Central Yavapai Fire District personnel were called to respond to the scene. Upon their arrival the fire had been extinguished after burning about a tenth of an acre. This incident occurred even though the Prescott Valley Town Council enacted an ordinance that banned the use of all consumer fireworks within town limits.

B. Relevance to Municipal Policy

In addition to the potential cost and damage of a fire, HB2246 that allowed fireworks to be sold in Arizona is an intrusion into local control. The evaluation of risk and the decision to allow consumer fireworks to be sold and used in a community is best left to the locally elected leaders of that community. This resolution does not place any restrictions or mandates on any community, rather it allows each group of elected officials to decide what is best for their community.

C. Fiscal Impact to Cities and Towns

There will a minimal loss in TPT collection if a municipality chooses to ban the sale of consumer fireworks. The local control aspect of this resolution allows each Council to weigh the potential costs of damage to property and the public safety response versus the benefit of allowing the sale of consumer fireworks.

D. Fiscal Impact to the State

The State could experience a minimal decline in TPT collection dependent upon the number of municipalities that choose not to allow the sale of consumer fireworks.

E. Contact Information

Name: Joseph Brehm

Title: Assistant to the City Manager

Phone: 928-777-1279

Email: Joe.Brehm@prescott-az.gov

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **7. h.**

Meeting Date: 06/12/2012
Contact Person/Dept: Jami Lewis, Town Clerk
 Phone: 928-636-2646 x-1208
Item Type: Action
Estimated length of staff presentation: None
Physical location of item: N/A

AGENDA ITEM TITLE:

Annual reports by Council Committee Chairs and consideration and possible action to review and make changes to the Council Committees roster. (Mayor Marley; Vice-Mayor Tenney)

RECOMMENDED ACTION:

To be determined per Council discussion.

SITUATION AND ANALYSIS:

Vice-Mayor Tenney has requested that Council Committee chairs give a brief report on their committees' activities over the past year and that Council review the current Committee roster and discuss possible changes.

Fiscal Impact

Fiscal Impact?: No

If Yes, Budget Code:

Available:

Funding Source:

Attachments

Council Committees Roster

COUNCIL COMMITTEES as of December 13, 2011

Appointments Council: *Linda Hatch Carl Tenney Lon Turner Staff: Town Clerk	Finance Council: Linda Hatch Chris Marley *Carl Tenney Staff: Town Manager Finance Director	Economic Development Council: Mike Best Darryl Croft *Dean Echols Staff: Town Manager Development Services Director Other: Chamber CEO
Public Safety Council: *Mike Best Darryl Croft Dean Echols Staff: Police Chief Town Manager	Transportation & Roads Council: *Darryl Croft Dean Echols Carl Tenney Staff: Town Manager Town Engineer <i>(Absorbed by Roads & Streets Committee 12-13-11)</i>	Water & Utilities Council: Linda Hatch Chris Marley *Lon Turner Staff: Town Manager Water Resources Director (Town Engineer)

* Committee Chair



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **7. i.**

Meeting Date: 06/12/2012
Contact Person/Dept: Jami Lewis, Town Clerk
 Phone: 928-636-2646 x-1208
Item Type: Action
Estimated length of staff presentation: None
Physical location of item: N/A

AGENDA ITEM TITLE:

Consideration and possible action to schedule a Council retreat to discuss strategic financial planning.

RECOMMENDED ACTION:

To be determined per Council discussion.

SITUATION AND ANALYSIS:

In light of the Town's future financial situation, Council has indicated a desire to hold a retreat to discuss strategic financial planning within the next 60 days or so. This retreat will most likely necessitate subsequent discussions in the following months. Please bring calendars to select a date for the retreat and be prepared to possibly discuss topics and future discussion dates.

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **7. j.**

Meeting Date: 06/12/2012
Contact Person/Dept: Jami Lewis, Town Clerk
 Phone: 928-636-2646 x-1208
Item Type: Action
Estimated length of staff presentation: None
Physical location of item: N/A

AGENDA ITEM TITLE:

Consideration and possible action to cancel or reschedule the August 28, 2012 regular meeting due to a conflict with the annual League Conference.

RECOMMENDED ACTION:

To be determined per Council discussion.

SITUATION AND ANALYSIS:

The annual League Conference will take place on August 28-31. Council's second meeting in August is scheduled for the 28th, and as four council members are registered for the conference, there will not be a quorum for that meeting. Council may opt to cancel the meeting or to reschedule it to another date.

Fiscal Impact

Fiscal Impact?: No

If Yes, Budget Code:

Available:

Funding Source:

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

Item No. **7. k.**

Meeting Date: 06/12/2012
Contact Person/Dept: Jami Lewis, Town Clerk
Phone: 928-636-2646 x-1208
Item Type: Action

AGENDA ITEM TITLE:

Consideration and possible action to approve the May 8, 2012 Regular Meeting minutes.

RECOMMENDED ACTION:

Approve the May 8, 2012 Regular Meeting minutes.

Attachments

May 8, 2012 minutes

DRAFT

MINUTES OF THE REGULAR COUNCIL MEETING OF THE TOWN COUNCIL OF THE TOWN OF CHINO VALLEY

**TUESDAY, MAY 8, 2012
6:00 P.M.**

The Town Council of the Town of Chino Valley, Arizona, met for a Regular Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, May 8, 2012.

Vice-Mayor Tenney called the meeting to order at 6:01 p.m.

Present: Vice-Mayor Carl Tenney; Councilmember Mike Best; Councilmember Darryl Croft; Councilmember Dean Echols; Councilmember Linda Hatch; Councilmember Lon Turner

Absent: Mayor Chris Marley

Staff Present: Interim Town Manager Robert Smith; General Services Director Cecilia Watts; Town Attorney Tom Kack; Police Commander Mark Garcia; Magistrate John Walker; Town Engineer/Public Works Director Ron Gritman; Utilities Supervisor Chris Bartels; Town Clerk Assistant Liz Hart (recorder)

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

There were none.

3) CALL TO THE PUBLIC

Lee Dudley with the Chino Valley Morning Lions, asked for the Town's help with the Territorial Days event in September with regard to road closures and mowing, Memory Park use, park activities, portable bleachers use, and Town participation in the parade. He added that the Lions intended to provide traffic control.

Joe Iaccarino, resident, stated that he would be able to assist the Lions with the mowing.

4) RESPONSE TO THE PUBLIC

Vice-Mayor Tenney responded to items presented at the April 24, 2012 Call to the Public:

- New Town building codes and the need for a board of appeals: The Town's Board of Adjustment served in that function.
- May events, including SpringFest and Salute to Veterans: No response needed.
- New businesses in Town: No response needed.
- Service organizations sponsoring Town events: No response needed.

5) CURRENT EVENT SUMMARIES AND REPORTS

Councilmember Hatch reported that the Town was accepting applications for several of its committees, and citizens could contact the Clerk's office for more information.

- a) Presentation of Financial Status through 3rd quarter of Fiscal Year 2011/2012, ending March 31, 2012. (Bernie Wiegandt, Interim Finance Director)

Mr. Wiegandt presented the financial report. Key points were:

- At 75% of the fiscal year, Town revenues were at 70% of budget and expenditures were just less than 70%, resulting in net revenues of \$37,000.
- State shared revenues: Income taxes were even with the budget, sales taxes were \$61,000 above budget, and vehicle license taxes were \$22,000 below budget.
- Local revenues: Sales taxes were \$110,000 above budget, licenses and permits were \$94,000 above budget, and fines and forfeitures were \$40,000 under budget.

Vice-Mayor Tenney reported that the decreases in state shared revenues might be due to the Town's decreased census count. He commended the manager and staff for staying within the budget.

- b) Acknowledgement of Town Utility Division staff for cost savings with regard to a water line relocation. (Ron Grittman, Public Works Director)

Mr. Grittman acknowledged Utility staff David Jaime, Jim Shinost, Roger Strader, Joe Grassi, and Chris Bartels for saving the Town at least \$20,000, with regard to a current flood control project, by relocating approximately 300 feet of 12-inch pipeline; and at the end of the relocate, they worked from 11:00 p.m. to 2:00 a.m. to fix a popped valve, then started back at 5:30 the next morning to get it back online. He also reported that the Town's new shooting range was nearly completed, providing a \$250,000 facility that was constructed for below \$90,000 due to using in-house crews.

Councilmember Hatch commended Mr. Bartels for responding quickly to homeowners who were concerned about the digging during the utility relocation.

- c) Status report regarding House Bill 2826 with regard to consolidated elections. (Jami Lewis, Town Clerk)

Town Clerk Assistant Liz Hart recounted that a couple weeks ago, Council sent a letter to the Town's House representatives urging a "no" vote on HB 2826. However, the House passed the bill 32-28. The League then asked those governing bodies who opposed the bill to draft letters to the governor urging a veto. Because the League needed these letters by the end of last week, staff drafted a letter in Council's name and forwarded it to the League, with a copy to the Council and town manager. As of yesterday, Governor Brewer had not taken action on the bill.

Vice-Mayor Tenney recounted that this bill would require the Town to hold its elections on the same date as state elections in the fall of even-numbered years instead of the current spring of odd years, which might have a significant fiscal impact on the Town if the County no longer continued to contract with the Town for elections services; and town issues could be swallowed up by state and national issues.

6) **CONSENT AGENDA**

Council set down items 6b, 6c, and 6d.

- a) Consideration and possible action to approve the April 10, 2012 Regular Meeting minutes. (Jami Lewis, Town Clerk)

MOVED by Councilmember Linda Hatch, seconded by Councilmember Dean Echols to approve the April 10, 2012 Regular Meeting minutes.

Vote: 6 - 0 PASSED - Unanimously

- b) Consideration and possible action to approve April 12, 2012 Study Session minutes. (Jami Lewis, Town Clerk)

Councilmember Hatch requested that the minutes be amended by amending the statement that councilmembers should consult with the mayor or manager before contacting the town attorney, by adding that they were not required to do so, and to add a statement that some members of the council still preferred a full agenda packet.

MOVED by Councilmember Linda Hatch, seconded by Councilmember Mike Best to approve the April 12, 2012 Study Session minutes with the above-mentioned amendments.

Vote: 6 - 0 PASSED - Unanimously

- c) Consideration and possible action to accept Dedication of Public Drainage Way from Daniel R. and Marie Ann Gallegos for roadway and drainage improvements for a portion of Assessor's Parcel No. 306-18-0115T located at Road 2 North and the Santa Cruz Wash, subject to final approval of the Dedication document by the Town Attorney. (Ron Gritman, Town Engineer)

Councilmember Hatch stated that a citizen asked to address this item. Vice-Mayor Tenney asked Mr. Gritman to first give an overview.

Mr. Gritman reported that the Town was installing a 10 barrel, 10x10 foot box culvert over the Santa Cruz Wash at Road 2 North as part of a flood control project to create a structure that could pass a 100-year storm event underneath it. The Gallegos' property ran across the wash, and a portion of it fell inside this project, thus necessitating the dedication of 0.67 acres.

Joe Iaccarino, resident, stated that he had been told that the Town was not responsible for maintaining drainage ways and asked if the Town was going to neglect maintenance on this structure as well as other drainage ways in Town.

Town Attorney Tom Kack advised that the drainage ways in this item related to FEMA mapped flood plains and a huge flood diversion project, which had no relation to the general drainage ways throughout town that Mr. Iaccarino referenced.

MOVED by Councilmember Linda Hatch, seconded by Councilmember Darryl Croft to accept Dedication of Public Drainage Way from Daniel R. and Marie Ann Gallegos for roadway and drainage improvements for a portion of Assessor's Parcel No. 306-18-0115T, subject to final approval of the Dedication document by the Town Attorney.

Vote: 6 - 0 PASSED - Unanimously

- d) Consideration and possible action to adopt Resolution No. 12-990, appointing John Walker as Lien Enforcement Hearing Officer pursuant to Town Code Section 51.290. (Ron Grittmann, Town Engineer)

Mr. Grittmann reported that:

- With the recent increase in foreclosures, the transference of ownership from the original property owner to the lenders had put the Town in a difficult position with regard to collecting past due utility fees.
- This Resolution will allow the Town to begin applying liens to properties that were in excess of 90 days in arrears. The initial amount of the lien will be the entire amount of the arrearage, including any outstanding balances on the buy-in-fees as well as the monthly fees.
- The Utilities Lien Hearing Officer will be the final arbiter to assure that the Town followed its own procedures.

Councilmember Hatch related that the original Ordinance provided for the Town to pay an outside hearing officer an hourly wage and she asked where the funding would come from if the magistrate did not do it and if this responsibility was included in the compensation and classification study for the magistrate job description. Mr. Grittmann reported that staff originally considered hiring outside for this, but Judge Walker agreed to do it, so these duties will be funded through his salary; and these duties were not included in the wage study.

Vice-Mayor Tenney pointed out that this item related solely to appointing the officer, and compensation matters would be handled later.

Town Attorney Tom Kack recommended amending the last 'whereas' in the resolution to indicate that the designated official shall not be part of or in the chain of command of the Finance Department or the Utility Division of the Town.

7) **ACTION ITEMS**

- a) Legislative update by House Representative Karen Fann and discussion with regard to preparations for next year's legislative session. (Mayor Marley)

(This item was heard after item 4 but is retained here for clarity.)

Vice-Mayor Tenney introduced Karen Fann, Arizona Legislative Representative and former Chino Valley Mayor, and announced that she had just been named as Legislator of the Year.

Rep. Fann told Council that if they had any suggestions for the next legislature session, she could come to a study session to discuss them. She then reported on various topics from the recently completed legislative session.

Budget

- Final Budget: Between extra unexpected revenues, an improved economy, and conservative spending, the State ended up with \$900 million more than expected. Now the legislature was looking ahead to the next two to three years.
- Funding for contingency and paybacks: With the three-year one cent sales tax, most of which went to schools, was expiring in one year, leaving a potential \$900 million shortfall, and costs of possible implementation of the national health care program beginning next year, the legislature recognized the need to prepare for those, putting \$450 million into a rainy day fund. The budget was also paying back \$150 million in debt caused by spending more than was taken in over the past few years.
- Funding increases: These included \$150 million for statewide education, including a portion to universities, the University of Arizona medical program, and a K-3 reading program, due to findings that the state's students were lacking in reading skills; \$100 million for health and welfare programs; \$75 million over the next two years for additional public safety programs; \$42 million to rural communities for transportation infrastructure use; and tax incentives for small business to stimulate the state's economy.
- Funding for municipalities: They eliminated the assessment on municipalities tied to the Department of Water Resources water revolving fund and added funding to help municipalities upgrade their 9-1-1 emergency response systems.

Committees. She participated on the Energy and Natural Resources, Environment, and Transportation Committees. She was originally the vice-chair on transportation and most likely will chair it next year.

Bills Sponsored

- HB 2356: Related to synthetic drugs known as bath salts.
- HB 2357: Related to real estate review hours, initiated by Yavapai County realtors.
- HB 2359: Ensured continued operation of the Remuda Ranch, a facility for women with eating disorders.
- HB 2360: Specifically drafted for the Schultz fire are, but will help other flood control districts.
- HB 2518: Helped the Town of Williams directly, and others indirectly, to leverage certain funds to develop an entertainment district or theme park.
- HB 2184: Helped fire districts seriously affected by the economy, including the Chino Valley Fire District.
- HB 2363: Along with SB 1236, used a \$1 million donation to establish a study committee to research prior water rights and conduct a pilot program to determine the feasibility of using water harvesting to mitigate water waste. Once they had the data in a couple years, they could then make long-range plans.
- HB 2362: Protected state parks revenue funds (enhancement funds), which were generated by the parks and swept by the legislature last year.
- HB 2358/2491: Added enforcement to already existing laws regarding toll roads and opened up the ability to leverage federal dollars for new infrastructure, as well as funded upkeep for the portion of I-15 that went through Arizona.
- HB 2519: Reformed several matters related to unemployment.
- HB 2368: Related to pre-employment drug testing and unemployment benefits, and established guidelines designed to eliminate bogus claims.

Local/Municipal Issues

- She voted against a bill related to public roads in HOA subdivisions, as she did not believe the State had a right to dictate blanket rules for all subdivision roads.
- HB 2826: Consolidated elections passed, although she voted "no" and tried to get it to fail, as she believed it was not good for most rural communities. She hoped the governor would veto it.
- Redistricting lines: The federal government just approved the state's new legislative district lines. Starting next year, LD-1 would lose the Verde Valley and gain a part of the former LD-4 and a portion of Maricopa County.
- Future of the one cent sales tax: The education community was trying to get an initiative together to extend the one cent sales tax for another three years. Another initiative, sponsored by the Arizona Contractors Association, in conjunction with the Education Association, was proposing that one-half to go the schools and one-half toward state infrastructure, and was also seconding as a jobs bill.

She added that HB 2519 and 2368 were why the Chamber of Commerce named her Legislator of the Year, and that she also just found out she was being given an award from the "First Annual Arizona Chapter of Solid Waste Association."

Vice-Mayor Tenney thanked Rep. Fann for her efforts with the legislature.

- b)** Consideration and possible action to purchase a 2007 Ford F550 4x4 Bucket Lift Truck from Utility Fleet Sales. Funds to be transferred from the remaining funds from the Greater Arizona Development Authority debt defeasance located in the Debt Service Fund and disbursed from Miscellaneous Capital Projects line in the Capital Improvement Fund. (Ron Gritman, Town Engineer)

Acronym used in this item:

GADA (Greater Arizona Development Authority)

Mr. Gritman reported that:

- The Town had \$235,000 in excess funds upon closing of escrow from the December 2010 GADA loan defeasance. As these funds could not be returned to GADA, the previous finance director and town manager had determined that the funds were to be committed to purchasing capital equipment and vehicles. The subject purchase was part of a series of purchases he presented in January 2012 to the Council Finance Committee.
- The bucket truck could be used for placing banners across the highway, repairs and maintenance on parking lot light fixtures, and for any tasks needing elevation, such as Christmas decorations. Currently, the Town must rent or rely on donated equipment to perform these tasks.
- As this was a used piece of equipment, it could be purchased directly per the Town's procurement code. The delivered price of \$42,580.40, along with the Town's self assessment of Arizona Use Tax of \$2,810.31, provided for a total expenditure of \$45,390.71, which was slightly above the estimated cost of \$45,000.

MOVED by Councilmember Linda Hatch, seconded by Councilmember Darryl Croft to approve purchase of 2007 Ford F550 4x4 Bucket Lift Truck from Utility Fleet Sales and budget transfer.

Vote: 6 - 0 PASSED - Unanimously

- c) Consideration and possible action to approve health and dental rates and employer contributions for Fiscal Year 2012/2013. (Cecilia Watts, General Services Director)

Ms. Watts reported that:

- The Town offered both medical and dental benefits to its employees through the Yavapai Combined Trust and she served as the Town's representative on the Trust's board.
- On April 12, 2012, the board voted for a 2.5% increase in medical and dental rates for fiscal year 2012/2013. The Trust was fortunate to only have a small increase, and based on its maturity and experience rating, it had been able to build up reserves to keep increases down.
- Approximately 66 of the Town's full-time employees participated in the medical and/or dental program; of these, 35 participated with family coverage. For the last 10 years, the Town had fully covered the employee portion of health and dental premiums, which was currently \$577 per month. The proposed amount for next year was \$591. The Town also contributed 25% of the cost of dependent care coverage for employees who elected family coverage.
- Staff was asking Council to approve paying the employee portion and 25% for dependent care.

MOVED by Councilmember Linda Hatch, seconded by Councilmember Darryl Croft to approve the Town's payment of \$591 per month per employee toward employee health care and dental care insurance rates, and maintain the Town's contribution rate toward family dependent coverage at 25%.

Vote: 6 - 0 PASSED - Unanimously

- d) Consideration and possible action to approve the April 19, 2012 Study Session minutes. (Absent: Vice-Mayor Tenney and Councilmember Turner) (Jami Lewis, Town Clerk)

MOVED by Councilmember Linda Hatch, seconded by Councilmember Lon Turner to approve the April 19, 2012 Study Session minutes. Vice-Mayor Tenney and Councilmember Turner abstained.

Vote: 4 - 0 PASSED - Unanimously

8) **EXECUTIVE SESSION**

Council held no executive sessions.

9) **ADJOURNMENT**

MOVED by Councilmember Linda Hatch, seconded by Councilmember Mike Best to adjourn the meeting at 7:22 p.m.

Vote: 6 - 0 PASSED - Unanimously

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 8th day of May, 2012. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 12th day of June, 2012.

Jami C. Lewis, Town Clerk