

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

**THURSDAY, OCTOBER 15, 2015
6:00 P.M.**

The Town Council of the Town of Chino Valley, Arizona, met for a Study Session in the Chino Valley Library Community Room, located at 1020 W. Palomino Road, Chino Valley, Arizona, on Thursday, October 15, 2015.

Present: Mayor Chris Marley; Councilmember Susie Cuka; Councilmember Corey Mendoza;
Councilmember Jack Miller; Councilmember Lon Turner

Absent: Vice-Mayor Darryl Croft; Councilmember Mike Best

Staff Town Manager Robert Smith; Assistant Town Manager Cecilia Grittman; Finance Director Joe
Present: Duffy; Town Engineer/Public Works Director Ron Grittman; GIS/CAD/Web Technician
(Videographer) Jan Mazy; Town Clerk Jami Lewis (recorder)

1) CALL TO ORDER; ROLL CALL

Mayor Marley called the meeting to order at 6:03 p.m.

2) Presentation and discussion regarding USDA WIFA refinance, Center Street sewer extension, Town's water and sewer extension, buy-in fee and connection policies. (Robert Smith, Town Manager)

Mayor Marley reported that this discussion would include guidelines for the proposed Center Street/Mollie Rae project, as well as a more comprehensive town wide policy before starting work on Mollie Rae.

Town Manager Smith explained that staff was proposing to refinance some debt through WIFA to eliminate some interest. To accomplish this, WIFA required that the Town borrow new money toward a specific project. Staff had proposed to extend sewer to the Mollie Rae subdivision since it was already plumbed for gravity sewer.

Finance Director Duffy reviewed a presentation originally given on July 14, 2015 pertaining to:

- an overview of WIFA and funding it provided to municipalities;
- benefits of and savings from obtaining funding from WIFA;
- current Town loans with WIFA, and USDA loan summary;
- proposed new WIFA loan and new USDA loan summary;
- Center Street/Mollie Rae Subdivision sewer project; and
- proposed refinance schedule.

Staff and Council reported that:

- *Loan Funding:* The loan funding was specific to the subject project. Once the loan closed, the Town had up to two years to spend the money and complete the project. If interest rates went up too high by closing time, Council could decline the loan. No interest would be paid

until the Town starting drawing down the funds. If Council decided not to fund the project after approvals, WIFA could defund it, but they might not lend to the Town in the future.

- *Project Details:* Under current development standards, one-acre lot subdivisions, such as Mollie Rae, were not required to have sewer; however, the developer had chosen to plumb for it. Staff anticipated starting engineering work in March; the Town's engineering cost estimates were at least 10% high for budgeting purposes. The Town would be required to use standard bidding processes for the work.
- *Sewer Connection Policy:* Current policy would mandate service connections on 28 existing residential units on Center Street between the current sewer location and Mollie Rae. Town officials had expressed concern about the mandate and possibly amending the policy.
- *Options Regarding Existing Residential Hook Ups:* Council could (i) offer a discount or waiver, a delayed requirement, or some sort of incentive; (ii) use Town general sales tax dollars, rather than that of system users, to subsidize a portion of the connection costs; and (iii) make a one-time determination for Center Street or develop a policy that strove for social equity as much as possible in the present and future. As the project was estimated to take nine months, Council had about 15 months from now to make a decision.

Staff and Council discussed:

- design details, trench requirements, and lift stations versus a gravity system;
- the project's relationship with the pending Prescott water system acquisition;
- the Chino Meadows sewer project compared to this one;
- the funding source to pay back the loan;
- costs for property owners to connect to sewer compared to installing a new septic system or replacing a leach line; connection fee amortization options; and related ADEQ regulations;
- and
- development of the Town's original bifurcated connection fee.

Council comments:

- Connection fees needed to be consistent.
- Council needed to develop scenarios, then get numbers from staff.
- Council should review Town Code Chapter 51 before November.
- Council needed to outline a plan for sewer extensions.
- Council should consider requiring all new developments to connect to sewer.

Council discussion summary:

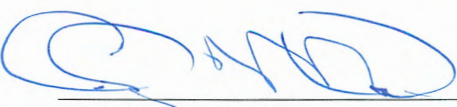
- No one objected to the proposed refinance or Mollie Rae project.
- No one expressed support for mandatory hook ups to existing homes between an existing sewer line and a new development.
- No one expressed support for the Town paying wholly for such connections.
- Several supported a one-time discounted cost of \$3,000 for those who voluntarily hooked up while the trench was open; thereafter any such volunteer connections would be at the current \$6,000 fee. As a policy, said discount could be offered to those between connection points any time a sewer project was being paid for by a developer, grant, refinancing, or other such funding.
- They were not ready for public input on October 28, as they preferred to have a plan with options for the Center Street residents before taking it to them and before trenching began. They did not object to an October 28 study session to continue their discussion.

- Councilmembers should forward any further thoughts and questions that occurred after this meeting to the town manager for inclusion on the October 28 agenda.

3) ADJOURNMENT

MOVED by Mayor Chris Marley, seconded by Councilmember Corey Mendoza to adjourn the meeting at 7:21 p.m.

Vote: 5 - 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 Study Session of the Town Council of the Town of Chino Valley, Arizona held on the 15th day of October, 2015. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 27th day of October, 2015.


Jami C. Lewis, Town Clerk