

**MINUTES OF THE REGULAR MEETING
TOWN COUNCIL WATER AND UTILITIES SUBCOMMITTEE
TOWN OF CHINO VALLEY**

**TUESDAY, OCTOBER 8, 2019
4:00 P.M.**

The Town Council Water and Utilities Subcommittee of the Town of Chino Valley convened for a regular meeting in the Council Chambers Conference Room, located at 202 N. State Route 89, Chino Valley, Arizona.

1) CALL TO ORDER

Chair Lon Turner called the meeting to order at 3:38 p.m.

2) ROLL CALL

Present: Lon Turner, Chair; Corey Mendoza, Councilmember; Jack Miller, Councilmember

Staff Frank Marbury, Public Works Director/Town Engineer; Mark Holmes, Water Services

Present: Consultant; Mike Bovee, Utilities Manager; Cecilia Grittmann, Town Manager

3) APPROVAL OF MINUTES

- a) Consideration and possible action to approve July 9, 2019, minutes.

MOVED by Councilmember Jack Miller, seconded by Councilmember Corey Mendoza to approve the July 9, 2019 public meeting minutes as written.

AYE: Chair Lon Turner, Councilmember Corey Mendoza, Councilmember Jack Miller

3 - 0 PASSED - Unanimously

4) ENGINEER'S REPORT

Mr. Marbury reported on the following:

- The plans for the drying bed were complete and they were finalizing the specifications. Staff was waiting on the bid schedule and the engineers cost estimate so the project could be put out to bid.
- The wastewater treatment plant utility shop building designs were 60% complete and it would be discussed at the next Council Study Session.
- The Town received two submittals for the Old Home Manor (OHM) masterplan statement and qualifications. The Committee would review the submittals over the coming weeks and anticipated making a selection to be reviewed by the Utilities Committee and then the Council in November.
- Contract issues for the groundwater physical availability study for the entire Town service area, were being finalized with Montgomery Watson.

5) CALL TO THE PUBLIC

Call to the Public is an opportunity for the public to address the Subcommittee 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 15 minutes per meeting. Subcommittee 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 criticism.

6) OLD BUSINESS

a) Discussion regarding water fill stations.

Mike Bovee discussed the following regarding the water fill station upgrade:

- The Town had a public water fill station behind Walgreens on Road 2 North that had started to have efficiency issues and was not reliable so there was a need for an upgrade.
- The fill station software limit was 200 customers and the Town was currently at 138 customers, with 32 Town residents, 70 County residents, and 36 other accounts that were made up of construction companies, water haul companies, and from other areas around the state.
- The current system required monthly billing and burdened the finance department with the billing.
- The current keypad was on loan for six months and after that timeframe, it would cost the Town \$2,000 for the used replacement keypad. The current system had been intermittent software issues and the system could no longer be updated.
- Through research staff had chosen an AquaFlow International System, produced in Flagstaff, for a system upgrade, which would happen in late October. The company had units around the world.
- The system was internet cloud based, which would give them an unlimited number of customers. The customers would prepay using a credit card which would eliminate the need for billing.
- The system had several billing options including a tiered system that allowed for a price reduction with higher volume purchases. A happy hour could even be setup that allowed for discounts during certain hours.
- Companies could have one account but several people accessing the system with the use of a pin code.
- Receipts were automatically emailed to the purchaser for every delivery.
- The upgrade was only \$17,000 and was a reduced cost compared to a complete overhaul of the system cost of \$50,000. The upgrade had been budgeted and came in under budget. The new system would only be an interface system and new flow meter.

Committee members and Mike Bovee discussed the following:

- Committee members asked if commercial businesses could still be billed by the Town. Staff explained that the system could be setup to bill but in staff discussions, it was decided they would stay away from billing. The finance director had conversations with other Town's that used prepay systems even for commercial entities, and they had been happy with the prepaid system.
- The system would be installed before October 31st.
- Customers would be notified by mail regarding the new system.

- Committee members asked if there was a profit or loss with selling water at the fill station and staff explained that the Town last fiscal year had made over \$46,000 selling over six million gallons of water, which helped cover the Town's cost of providing the water.
- Staff explained the tiered system and also explained the new system would eliminate any loopholes people were using to not pay the appropriate costs.

Mike Bovee discussed the following regarding a second fill station location:

- There was a need for a second fill station location in the case of an emergency.
- The first option was on Road 2 North and Sycamore Vista and it would replace the location behind Walgreens. If and when the street was widened at the Walgreen location, it would eliminate any area for parking at the fill station. To get the fill station at the new location, the Road 2 North waterlines would need to be extended to Sycamore Vista.
- The site would need to be prepped and drainage added. The location was also in a residential area, but since it was on 2 North, the access was good.
- There was an existing well at that location and the well produced 3,000 gpm.
- The cost of the waterline extension would be in the millions.
- The second location was at Old Home Manor ballfields at the corner of Perkinsville and OHM.
- The Town had the space but it would require a 25,000-gallon storage tank. The Committee discussed the cost of water tanks and other costs associated with the installation of a large water tank.
- The withdrawal type, service areas and water right acres for the area were discussed.
- The third choice area was the Yavapai College well. It would also require a 25,000-gallon water storage tank.
- The locations were discussed as well as the usefulness of a fill station on the west side because that was where the water was used.
- Committee members discussed talking with the County about cost sharing before a second location was considered since twice as many people from the County used the Town's water fill station. There were three items a Committee Member thought the Town needed to approach the County about monetary support including roads, sewer treatment expansion for septage acceptance, and the water fill station.
- Staff explained they wanted to be prepared if something were to go wrong with the current system. In a worse case scenario, the Town would have to put a meter on a hydrant and give water away so that animals and people would have access to needed water.
- Staff explained that the second and third options could be looked at as alternate locations while the Town looked at the west side for the right location of the main station. The Committee said if a temporary location was considered, the use of a one or a couple 15-20,000-gallon tanks could be utilized since they could be easily moved in the future or they could be resold.
- A Committee Member thought another option would be tapping into the City of Prescott line, but all aspects of the station would all fall under the City of Prescott's jurisdiction.
- The Committee discussed the development of OHM and a possible water line expansion that would include a million-gallon tank at the highest point possible, which would eliminate the need for a second temporary site. The OHM masterplan would address any questions for the best location.
- The cost of a new system would include the cost of the waterflow system, pump and the water tank. The cost could be over \$100,000.

b) Discussion regarding septage receiving.

Frank Marbury, Mike Bovee and Committee Members discussed the following:

- Three main components were needed for septage receiving, which included the headworks process, the blower requirements, and an equalization basin increasing the capacity to equalize the flow of the plant that would allow for more than one flow a day.
- The current wet well was designed to allow 2,000 gallons at time of septage that only allowed for screened septage with no solids.
- The Committee and staff discussed designs and requirements for a new facility that would accept more flow including solids.
- A flow Equalization Tank basin would be used for the screened liquids. The use of one would eliminate the hydraulic and biological surges to the plant. The current system had two peak flow times in the morning and evening. A Flow Equalization Tank basin would allow the Town to run their system at low flow 24-hours per day and everything would run smoothly and constantly without surges. The result would be huge energy and equipment savings. It also gave the Town the ability to process the biological load (septage).
- The Committee and staff discussed the necessary size of a facility to become a regional septage location.
- Committee members and staff discussed the possibility of the County cost sharing in the facility expansion since the County had need for such a facility and currently hauled their septage to Phoenix. The County would be able to provide the septage load numbers to the Town. Staff explained the buildout of the facility would only serve a one million gallons per day plant. The plant could not handle any more than that.
- By law the Town had to expand the facility once a certain capacity was reached.
- Mr. Holmes suggested that there could be grant money available for the expansion and the Town could consider a professional grant writer to help.
- Processing the septage was also recharge credits for the Town.
- The Committee wanted staff to consider the largest tank the facility could handle, which was 250,000 gallons.
- Staff also stated that the facility air system needed to be expanded. The old system could be replaced by one turbine blower. The cost was approximately \$200,000.
- The upgrades would be significant cost savings.
- Staff recommended going back to a consultant and modifying the study to go further to include the flow equalization basin, the blower upgrade and the headworks design and to see if the Town could then accept raw septage, how many loads could be accepted and the payback for that expansion. The staff could then provide a cost benefit analysis. The demand for the upgraded system would have to be part of the study. Air capture and buffers to reduce smell at OHM should be considered but would be an additional cost.
- Once the Town had the numbers, they could develop a packet to present to the County.
- Staff would obtain an estimate for the services and bring it to the Town Manager and the Council.

c) Discussion regarding the water reclamation facility expansion schedule.

Frank Marbury, Mark Holmes and Committee Members discussed the following:

- Staff explained that at 80% capacity, the town must be under the design phase and at 90% the Town would have to be under construction.
- The Town was at approximately 60% capacity.
- Staff thought that by the next fiscal year, they should be budgeting for the new plant and start the design process.

- The capacity had increased over the last year by approximately 20,000.
- The design process usually accounted for approximately 15% of the overall cost.
- The approximate cost was about \$20 million, but staff would have to research the numbers.
- Mr. Holmes suggested doing a design concept report (DCR) that accounted for about 10% of the design process.
- Staff recommended going out to an RFQ process for the design because of the size of the budget of the project. Staff also recommended going through the Construction Manager at Risk process, where you started with a designer then brought in a construction team halfway through the design process.
- Committee Members wanted to look into the County numbers before pursuing any options.
- The Committee discussed the best expansion options and the system capacity.
- The funding for the expansion was enterprise money. General fund money could be used, but would need to be paid back.
- The Town had an enterprise fund reserve and staff would research that amount.
- WIFA funding had low interest rates and there was no penalty for paying it off early.
- Staff would move forward with putting the expansion design and engineering into the next year's budget.
- Mr. Holmes stated the recharge permit expired in 2025, and the process often took up to two years. If the Town waited, they risked having their recharge permit lapse.

7) NEW BUSINESS

- a) Consideration and possible action to approve amendment to subcommittee charter dated October 8, 2019.

Staff and Committee Members discussed the following:

Staff explained this was an administrative request to standardize the committee regulations. This would officially insert "Engineers Report" onto the agenda headings.

MOVED by Councilmember Jack Miller, seconded by Chair Lon Turner to approve the amendments to the subcommittee charter dated October 8, 2019.

AYE: Chair Lon Turner, Councilmember Corey Mendoza, Councilmember Jack Miller

3 - 0 PASSED - Unanimously

- b) Discussion regarding Old Home Manor Business Park Improvements.

Frank Marbury, Mark Holmes and Committee Members discussed the following:

- Staff researched what it would take to get a lot ready for a building.
- There was water and sewer along Jerome Junction and water from the south onto Rodeo Drive and sewer ran to the lift station.
- Staff provided an overview of the conceptual plan of OHM. The Committee discussed the layout, sewer lines, greenbelts and drainage. Everything would need to be carried to the lift station but a 12" pipe was already in the ground.
- The first option would widen and improve a piece of Rodeo Drive. New water and sewer lines would run east to the intersection and then south to the property line of the proposed road.

- Water and sewer expansion would be approximately \$270,000.
- The lots would be four to five acre lots.
- A Committee Member was hesitant to limit the lot size since they were not sure what types of businesses would be coming to the area. Members questioned if going east on Rodeo to the second intersection, hang a right and go south to the next proposed street with sewer and water might give more lot size options with bigger lots and sewer and water on two sides for roughly the same amount of money. Staff said drainage would need to be a consideration with that scenario.
- Each scenario was discussed and the sewer requirements needed were discussed.
- Staff would have to research the cost of the suggested route. There was about \$1.5 million budgeted. Fiber optics was located in the area but the natural gas costs needed to be considered as well.
- Staff explained the second option was bigger and added an additional quarter of a mile to the north, which added \$2 million in costs.
- The utilities were a fixed cost of approximately \$1 million no matter which plan was picked.
- Once this was done, the types of businesses would need to be discussed.
- The Committee discussed their options and costs in depth.
- The Utility Committee recommended doing road improvements at Rodeo Drive and extend water and sewer to the first intersection to allow more opportunity for development in the future. Utilities would be stopped there.
- Staff would seek Council direction on the recommendation of researching the cost of committee's suggestions and come back with options.

c) Discussion of future agenda Topics and next meeting date.

- No new agenda items.
- The next meeting date was set for December 10, 2019.

8) **ADJOURNMENT**

MOVED by Councilmember Jack Miller, seconded by Councilmember Corey Mendoza to adjourn the meeting at 5:38 p.m.

AYE: Chair Lon Turner, Councilmember Corey Mendoza, Councilmember Jack Miller

3 - 0 PASSED - Unanimously

Submitted: October 15, 2019.

By: *Erin Deskins, Deputy Town Clerk*

Approved: January 14, 2020.