

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

**TUESDAY, DECEMBER 13, 2022
4:00 P.M.**

**CHINO VALLEY COUNCIL CHAMBERS
202 N. STATE ROUTE 89, CHINO VALLEY, AZ**

Present: Lon Turner, Chair; John McCafferty, Councilmember; Eric Granillo, Councilmember
Staff Mark Holmes, Water Consultant; John Gaylord, Town Attorney; Frank Marbury, Public
Present: Works Director/Town Engineer

1) CALL TO ORDER

Chair Turner called the meeting to order at 3:35 p.m.

2) ROLL CALL

3) APPROVAL OF MINUTES

- a)** Consideration and possible action to approve the November 3, 2022, special meeting minutes.

MOVED by Councilmember John McCafferty, seconded by Councilmember Eric Granillo to approve the November 3, 2022, special meeting minutes with the correction of “deportation” to “importation” under item a on page 4.

AYE: Chair Lon Turner, Councilmember John McCafferty, Councilmember Eric Granillo
3 - 0 PASSED - Unanimously

4) ENGINEER'S REPORT

- a)** Update and discussion regarding progress and outlook of the Peavine waterline project from Road 2 North to Perkinsville Road.

- APS started construction, and the project was expected to be complete by mid-February.
- The project was from the East side of the Peavine Trail from Perkinsville Road to Road 2 North, to connect to 12' water mains for a loop connection. The other end of the loop was on Road 1 East.
- The grant had been awarded in 2016 and had taken a while to get through federal grant regulations and requirements.

b) Update and discussion regarding the Perkinsville water extension across Highway 89.

- Staff were trying to negotiate for the property on the highway on the SE corner of Perkinsville for an easement. The owner had not responded to the initial contact.
- Once the Town crossed the street, there was enough right-of-way to finish the work on the west side of the highway.
- This was ADOT's preference for crossing under the highway. If it fell through, they would have to go to the north side on ADOT property. They would need an easement by the old gas station. The Town wanted to avoid that area due to possible environmental issues. There would need to be an environmental assessment to determine the conditions of the property and if everything was done in accordance with permitting and regulations.
- The desired location could become a restaurant, but since it was only a utility easement, the property owner could still use the easement area for landscaping.
- There were three different alternatives for getting across the highway.
- The jack and boring would begin in summer to late fall. They were almost halfway through the design process.

c) Update and discussion regarding the sewer extension on Road 1 East from Fletcher Court to Road 3 South.

- The Town was designing a road project to include a sewer line to the stop sign at Road 3 South near Freeman Farms.
- The project was still being designed.
- There was cul-de-sac road work on the project on the west side of Perkinsville Road. The design would include having the Town prep the cul-de-sac and then have the contractor pave them.
- The Town hoped to be under construction around March. It was on schedule, but could go past the fiscal year, depending on the complexity of the sewer line.

d) Update and discussion regarding Request for Qualifications (RFQ) for the sewer plant expansion.

- The RFQ was being completed in-house for the sewer plant expansion.
- The project design was budgeted in the current fiscal year. It would go into the next fiscal year.
- The current capacity of the plant was 500,000 gallons per day. The expansion would take it to 1,000,000 gallons per day. They were using approximately 320,000 gallons per day. By law, they needed to be under design once they hit 400,000 gallons per day, and under construction once they hit 450,000 gallons per day.
- It would have to go to Council for approval. Staff would propose doing it similarly to the first one, which was a Construction Manager at Risk. This meant they brought in the designer first to get a preliminary design, then put out a request for qualification for a contractor, who would

take part in the design process, and give a guaranteed maximum price. The goal was to save time and avoid change orders. The last sewer plant project he took part in had a \$26 million base price but ended up costing \$32 million. The contractor would have upfront cost savings, that would hopefully cancel any unknown conditions. It ultimately created a three-way agreement and provided more opportunities for partnerships.

- The expansion tank project would be part of this project. The original estimate had been \$1.5 million, but the engineer estimate came in at \$4 million. The Town decided to get one engineer to design the entire project to ensure it worked well. They would also be adding to the design, drying beds for the vector truck loads, that had a sump pump to put the water into the sewer plant for treatment, then only dry waste was hauled off. This would ensure it was properly placed.
- Once the Perkinsville 40's 162 homes were built, it would add 14,500 gallons a day or more. The annual increase per day was 20,000 to 30,000 gallons. The Town would be far enough ahead, that it was not a concern.
- Members discussed the overall savings and the process on the Construction Manager at Risk method and beating price increases by ordering materials early. This type of contract was considered open book, and the contractor had to get three quotes on everything like the Town did for bids under \$50,000. The Town was allowed to look at the contractor's receipts, because the markup was negotiated in the contract.
- It would be spring before it was brought to the Council for discussion.

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

7) NEW BUSINESS

- a) Discussion regarding Request to Waive Sewer Connection at 1775 Pinto Lane.

Public Works Director Frank Marbury presented the following:

- The one-acre subject property was on the northeast corner of Pinto Lane and Perkinsville.
- According to the owner, the property had been the staging area for the original sewer line project.
- The property owner purchased the vacant lot a year ago from a family member, got a building permit, and was in the process of building a home. He had been told that he needed to connect to sewer and water. The connection fees to both were paid. It turned out that there was no tap put in going to the property line when the sewer lines were installed.
- According to code, sewer was available when sewer was in front of the property. This meant the property owner had to connect to sewer.
- The public works director had the authority to determine if the Town paid for the installation for a single household, or if the owner paid for it. Due to unusual circumstances, staff wanted to bring it to the Council.

- Per the plans, the top of the pipe was 14 feet deep across Perkinsville Road. This would mean that the Town would need to hire a contractor because their backhoes did not dig deeper than 15 feet. The bottom of the pipe was 15 feet deep, and they would need to get below that depth.
- They would need trench boxes. The necessary depth would be similar to what was done at the Perkinsville 40, which was approximately 20 feet deep. It would also require closing Perkinsville completely for a minimum of three days.
- There had not been a cost estimate done, but staff estimated the construction cost would exceed \$20,000 for this one service.
- The water connection was only four feet deep on the subject property's side of the street, so it would be an easy connection.
- The ingress/egress and PUE easement was across the street. Staff at one time had proposed an extension project to put the lots on water and sewer. The engineer estimate had been \$120,000 two years ago, but the bids had come in at \$240,000. Council decided to abandon the project and let all the lots, except for one by Perkinsville Road, go on septic.
- Staff thought that no matter who paid for it, it was not common sense to pay the exorbitant construction costs and divert the truck traffic for multiple days. If the County approved the septic, they could allow the owner to put in septic and connect to the Town water. The connection fee would be reimbursed.
- They had the same missing tap issue at Molly Ray, in which taps were put in on Center Street but not on Road 1 West. The error was most likely because Road 1 West was not in the original design, and some how got missed in the process.
- Since the lines were so deep and depending on the steepness of the sewer lateral going to the house, there could be issues of solid material not washing down because the water and solids may separate if it was moving too fast.
- There was no sewer on Pinto, so anything north on Pinto was on septic. Only the properties facing Perkinsville could have sewer.
- If the sewer lines were put in, staff would need to write a policy letter regarding the cost that would be discussed in a study session.
- Members discussed whether it was fair to put the burden of cost on a property owner, when it was the Town's mistake.
- Any proposed Del Sol developments were more than 300 feet away from sewer lines and would not be required to be on septic. The permit applications that the Town currently had were all minor dry lot subdivisions. There was potential for a waterline, but the loop connection was unknown.
- Members discussed the higher cost of installing sewer than installing a septic system.
- Staff was looking for a recommendation to the Council that would waive the requirement to connect to sewer. The town had not ever waived the sewer hookup requirement, because the code was new. An old rule that predated the current code stated if the cost of a sewer hookup was more than twice the cost of a septic system, the Public Works Director could waive the requirement. There was no provision in the current code to waive a connection. Members discussed the current code requirements.
- Members discussed setting a precedent with this decision and being thoughtful on how they made their determination.
- Members discussed whether sewer was actually available to the property and the possible financial inability to pay the cost of hookup. Members discussed the individual lot requirements for required sewer hookup and the definition of available.
- Members thought the UDO could be amended to accommodate these types of issues. Council could direct staff to draft an ordinance that would amend the UDO and establish a process for waivers or exemptions. Staff explained that time was of the essence for the current case so that there were no delays or cost increases for the property owner. Staff had to decide quickly, and the issue was on the Council agenda later that night. Members discussed a Council motion allowing this homeowner to connect to septic, with direction to staff to draft a code revision

for a process to deal with situations when utility connections are not feasible for engineering reasons.

- The property owner's building permit was conditional on connecting to sewer.
- Members discussed if there were options for the owner to appeal a utility decision. The homeowner would be at the meeting and staff would be presenting to the Council on their behalf.
- Members discussed the possibility of needing sewer in the area because of the commercial land in the area, and the typical two-year time frame to design and construct an extension. It involved hiring an engineer for the design, getting County approval on the construction plans, procuring a contractor, building the extension, and acquiring engineer approval for a discharge authorization. There were no rules for small extensions with sewer, and more than one service was a main extension.
- Members discussed requiring the homeowner to put in a dry line to Pinto, and when sewer line was run down Pinto, the homeowner would be required to connect. This would allow the homeowner to have septic until the sewer line was put in, at which time the homeowner would agree to abandon the septic system and connect to the sewer line. This would meet the code conditions by delaying the hookup because of engineering cost and street issues. This was not a waiver, but instead a delay. The Council recommendation could be that Council allows the homeowner to install a septic system until such time as sewer becomes available on Pinto Lane. This allowed septic provisionally until the sewer connection became available.
- Members discussed the cost of septic and the cost of a sewer connection fee. The connection fee would be refunded. The Town could require the dry line, but the Town could waive the connection fee to offset the fact that he had to put both septic and sewer in. The problem with drylines was that they could become lost or damaged.
- Staff wanted a definition of availability in the code to meet the engineering requirements and distances. With the steep angles around Town, there would be engineering and cost issues for septic.
- Members thought the best idea was to not use the term waive, and to recommend a motion to Council to allow septic at the location until such time that the homeowner could connect to a sewer line.
- The property file could be flagged so that once a sewer line was put in, the hook up requirement would be initiated. The Town staff could also record a statement with the County, so it appeared in a title search and went with the property.

MOVED by Chair Lon Turner, seconded by Councilmember John McCafferty to instruct staff to recommend to Council a provisional solution for the property at 1775 Pinto Lane.

AYE: Chair Lon Turner, Councilmember John McCafferty, Councilmember Eric Granillo

3 - 0 PASSED - Unanimously

- 8) An executive session pursuant to A.R.S. § 38-431.03(A)(4) for discussion or consultation with the Town Attorney in order to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations related to the purchase of water credits, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation. (John Gaylord, Town Attorney)

MOVED by Councilmember John McCafferty, seconded by Councilmember Eric Granillo to enter into Executive Session.

AYE: Chair Lon Turner, Councilmember John McCafferty, Councilmember Eric Granillo
3 - 0 PASSED - Unanimously

9) ADJOURNMENT

MOVED by Councilmember Eric Granillo, seconded by Councilmember John McCafferty to adjourn the meeting at 5:00 p.m.

AYE: Chair Lon Turner, Councilmember John McCafferty, Councilmember Eric Granillo
3 - 0 PASSED - Unanimously

Submitted: December 22, 2022

By: *Sara Burchill, Deputy Town Clerk*

Approved: April 26, 2023