

**MINUTES
EAGAR TOWN COUNCIL
REGULAR MEETING
22 W. 2nd St., Eagar, AZ
February 1, 2011 – 7:00 P.M.**

Mayor Kim Holaway called the regular council meeting to order and welcomed those present. Mayor Holaway said to let the record show that all council members are present. Mayor Holaway led the Pledge of Allegiance and Bruce Ray offered the invocation.

COUNCIL PRESENT: Kim Holaway, Mayor
 James Nelson, Jr., Vice-Mayor
 Byron Smith
 Gary Finch
 Steve Erhart
 Tim Rasmussen
 Debbie Rogers

STAFF PRESENT: Bill Greenwood, Town Manager
 Bruce Ray, Community Development Director
 Eva Wilson, Town Clerk
 Katie Wood, Finance Administrator
 Howard Carlson, Fire Chief
 Mike Hogan, Police Chief
 Elwin Browning, Public Works Administrator

ITEM #5: SUMMARY OF CURRENT EVENTS

A. MAYOR

Mayor Kim Holaway reported that she is involved in the Boys and Girls Club efforts and that this would be an asset to the community to give children a place to go after school.

Mayor Holaway reported on the White Mountain Save the Game baseball and softball clinic benefit to ensure that the baseball and softball programs will proceed this spring. Flyers are available at the Town Hall. The clinic will be held Saturday, February 12th in the dome with three 2-hour sessions.

Mayor Holaway reported on the Centennial Committee project in honor of Arizona's upcoming Centennial. The project will consist of placing historical kiosks, benches and landscaping at the gazebo on Main Street. Mayor Holaway is looking for historically significant photos of Eagar to portray in the kiosks. If anybody is interested in working on this project, contact Mayor Holaway. Donations are also being sought from families to commemorate benches in their family's honor.

B. COUNCIL

Councilor Tim Rasmussen reported that the Cemetery Committee met this week and is currently working on the budget and completion of a new section of the cemetery, which will consist of at least 600 plots. Each section of the cemetery has been named and the Committee is currently working on placing name signs in the sections. The section names have been posted at the cemetery.

Councilor Rasmussen reported that the Pitch In-Clean Up Committee met this afternoon and they have finalized the Main Street participation letter and it will go out this month.

Councilor Rasmussen serves on a Steering Committee for the Boys and Girls Club. Steve Christensen is heading the committee right now and the committee is looking for a building for the Boys and Girls Club. The Town is checking into the grant stipulations regarding the old Pulsipher Day Care building that now belongs to the Town's recreational program.

Councilor Rasmussen is working with a new foundation that has been set up called the Springerville-Eagar Winter Coat Angel Foundation spearheaded by Andrea Johnson. The Foundation has over 250 coats in inventory. There are no eligibility or requirements to qualify and the Foundation will be teaming up with the school district, fire and police departments, and other local agencies to get coats out to families that need them. Country Storage is donating a 10 x 15 storage unit for the Foundation to operate out of for a year. Advertising for the Foundation will start this week and if someone is in need of a winter coat refer him or her to the Town or to Councilor Rasmussen.

Councilor Steve Erhart reported that the Town of Springerville will be making airport renovations and the bids for the work will be coming out in the near future.

C. STAFF

Town Manger Bill Greenwood attended the Annual RC & D Watershed Conference last week. Mr. Greenwood stated that complete details would be included in his report to the Council.

Mr. Greenwood stated that the investment in the Eastern Arizona Preference Pooling Association (Parker-Davis Dam Energy Savings Program) is starting to turn around and to show a savings in the Town's energy costs.

Town Clerk Eva Wilson reported that she and Finance Administrator Katie Wood would be attending the Rural Arizona Group Health Trust Annual Conference on February 16-18, 2011. The Trust will discuss employee benefits, the health of the trust, and any cost changes to the entities participating in the trust.

Eagar and Springerville Joint Council Meeting will be held on February 3, 2011 at the Springerville Town Hall starting at 6:00 p.m. The Councils will decide whether to continue

with the Round Valley Round Up. If any Councilors cannot attend and want to convey their feelings on the subject, let Mr. Greenwood know.

Ms. Wilson attended the Social Media Training hosted by The League. Ms. Wilson highly recommends social media for notification and advertisement of Town events on Facebook and YouTube, however it is not such a good tool for elected officials to keep in contact with the citizens because of issues with open meeting laws and record retention mandates. Prior to using social media, policies and rules will need to be in place for its use. If the Town does go in this direction, Ms. Wilson recommended hiring an employee with marketing skills and a strong background in IT.

Finance Administrator Katie Wood reminded the Council that the 2011 Legislative Session has begun. There are a lot of bills this year that have financial impacts for cities and towns. Ms. Wood is concerned about the bills that have been introduced regarding the Model Sales Tax Code, and Urban Revenue Sharing is in jeopardy.

Community Development Director Bruce Ray reported that the 2010 Census information would be released in approximately two weeks. Mayor Holaway had read that Arizona's census numbers are going to be lower than originally anticipated.

ITEM #6: OPEN CALL TO THE PUBLIC

Springerville-Eagar Regional Chamber of Commerce Director Becki Christensen announced a Brag and Share Member Luncheon that will be held at the Sunny Side Restaurant at noon on February 17th. Ms. Christensen announced that she has graduated from the U.S. Chamber of Commerce School after four years. The Chamber Board conducted a strategic planning session that focused on accomplished goal setting and was deemed a success.

ITEM #7: PRESENTATIONS

A. PRESENTATION TO JANUARY 2011 "SHINING STARS" COMMUNITY HONOREES

Councilor Debbie Rogers announced that January's "Shining Star" is Eric Hamblin. She stated that Mr. Hamblin has been an active part of this community by serving on the Round Valley School Board, Eagar Planning and Zoning Commission, as well as Apache County Planning and Zoning Commission. Mr. Hamblin can be found in the community coaching sports, hauling loads of wood for the less fortunate, helping erect the Christmas star on Flattop, taking youth groups on hikes and mule pack trips, roofing homes, and regularly caring and visiting the elderly widows. He is caring and compassionate for Eagar's residents. Eric Hamblin is a prime example of a Round Valley native that still has that passion for Eagar.

ITEM #8: CONSENT AGENDA

APPROVAL OF MINUTES OF EAGAR TOWN COUNCIL MEETINGS HELD JANUARY 2011

APPROVAL OF DECEMBER 2010 BANK TRANSMITTALS 1-25, NATIONAL BANK OF AZ CHECKS WRITTEN FROM 29420-29588, PAYROLL DIRECT DEPOSIT VOUCHERS 12021001-12301035, CARD MEMBER SERVICE CREDIT CARD PURCHASES

Vice-Mayor James Nelson, Jr. moved to approve the Consent Agenda as presented. Councilor Steve Erhart seconded.

Discussion: Councilor Debbie Rogers had a correction to the January 2011 Minutes changing a sentence on the second page of the second paragraph to read: *In regards to bussing, the school is only reimbursed for children that are bussed more than two miles from the schools.*

Vice-Mayor James Nelson, Jr. revised his motion. Vice-Mayor Nelson moved to approve the Consent Agenda as presented with the noted change. Councilor Steve Erhart seconded; all were in favor, motion carried unanimously. 7-0

ITEM #9: UNFINISHED BUSINESS

A. DISCUSSION AND CONSIDERATION OF DECEMBER FINANCIAL REPORT, AND NOVEMBER AND DECEMBER TOWN'S SALES TAX REVENUE REPORT

Finance Administrator Katie Wood reminded the Council that she had added a Contingency line item to the financial report. There is approximately \$115,000 of grant reimbursements that have not come in, yet the reimbursements do regularly arrive.

Town Manager Bill Greenwood explained that the large increase in sales tax revenue for the construction group is probably be due to the construction that has been taking place at the high school. Mr. Greenwood stated that there are too many pages to the sales tax revenue report to accurately portray only Eagar's sales tax revenue sources.

B. DISCUSSION AND CONSIDERATION TO AWARD BID FOR HVAC WORK FOR EAGAR TOWN HALL AND POLICE STATION FUNDED BY THE ENERGY RETROFIT GRANT

Fire Chief Howard Carlson contacted ten possible contractors to bid for the HVAC system for town hall and the police department; only two bids were received. Chief Carlson recommends that the contract be awarded to the lowest bidder Mountain Mechanical who bid \$14,500 for a larger unit, yet was still the lowest bidder and the amount is within grant allowances.

Vice-Mayor James Nelson, Jr. moved to award the bid for HVAC work for Eagar Town Hall and Police Station funded by the Energy Retrofit Grant to Mountain Mechanical with the purchase of the larger AC unit. Councilor Debbie Rogers seconded; all were in favor, motion carried unanimously. 7-0

C. DISCUSSION AND CONSIDERATION GIVING COUNCIL DISCRETION TO ACCEPT, OR USE THEIR MONTHLY STIPEND FOR OTHER EXPENDITURES/DONATIONS

Councilor Debbie Rogers initially felt that a community sign might be a good item to purchase with stipend funds. However, the community sign has been discussed as being budgeted for in the future. After much discussion the Council agreed that a better alternative to donate the stipend funds to is the Senior Center because their budget has been drastically reduced over the years, the Senior Center also provides many community services, and because the majority of Senior Center clients are Eagar citizens.

Councilor Steve Erhart moved to donate the full amount of stipend fund available in the amount of \$6,686.00 to the Senior Center. Councilor Gary Finch seconded; all were in favor, motion carried unanimously. 7-0

ITEM #10: NEW BUSINESS

A. DISCUSSION AND CONSIDERATION OF ANY ACTION TO BE TAKEN ON LEGISLATIVE ISSUES

Mayor Holaway stated that this will be a reoccurring item on the agenda for the next two or three months. The Legislative bills are being introduced and many have not yet made it to respective committees. There are several bills introduced that are familiar to cities and towns because of their attacks on shared revenues. Councilors are encouraged to contact their legislative representatives if they have any concerns on proposed bills.

B. PRESENT RELEVANT DOCUMENTATION FOR RECENT ACTIVITIES ON THE APACHE-SITGREAVES NATIONAL FOREST AS IT PERTAINS TO THEIR APPLICATION FOR WATER APPROPRIATIONS FILED WITH ARIZONA DEPARTMENT OF WATER RESOURCES

Speaking in the spirit of coordination Doyel Shamley wanted to share information on a subject that Apache County is currently concerned with. The Forest Service has made application for surface water claims to the Arizona Department of Water Resources (ADWR) for surface water appropriations from regional creeks, and streams. Surface water cannot be diverted, or pumped out and hauled off.

If the claims move to the next step at ADWR, the Forest Service may be given a temporary permit and at that point they will have to provide two years minimum of data, and study information relating to each claim to prove volume of water claimed is accurate. The numbers of gallons requested on these claims are vast and to date total 18 claims in the

Apache-Sitgreaves National Forest totally more than 518,000 acres of surface water; converted to gallons is 169 billion gallons. The Forest Service needs to prove their need for these amounts of water appropriations.

Mr. Shamley pointed out a disadvantage to the public, in that the Forest Services claims were submitted in mid-December, yet they were not posted for the public until January 3rd, this shortened the public's comment period by 20 days.

Apache County is concerned with the applications because water is over adjudicated in Arizona and senior water rights will not be protected with these numbers that have been claimed. Because water is over adjudicated and because claims that senior water rights would not be affected, the County is suspicious why the Forest Service would make claim on such vast quantities of water. There are so many layers of government, and private interests groups on top of almost every activity of our lives that it has become burdensome; another layer of bureaucracy on water claims is that much more encumbrance.

Councilor Gary Finch added that senior water rights can be tied up and taken away in the court system when the Forest Service has unlimited funds to place senior water rights into litigation.

Another concern Mr. Shamley pointed out was that if ADWR approved these claims or even a portion of the claims, if a future user wanted to provide some economic development or a forest restoration project was undertaken, for example, water could not be allotted for future use that could be beneficial to the region.

Mayor Holaway invited Forest Supervisor Chris Knopp to address the Council on the issue and the purpose of the claims. Mr. Knopp stated that the Forest Service is applying for non-consumptive water rights to ensure there is enough water flow in the national forest to protect fish and wildlife resources. Mr. Knopp stated that the claims do not allow the Forest Service to divert or interfere with surface water flow, and does not affect any existing senior water rights; the main purpose is for the national forest to provide water for fish and wildlife, and to preserve the enjoyment that we all obtain from that. Mr. Knopp invited the Council to take any concerns to his office.

C. DISCUSSION AND CONSIDERATION FOR COUNCIL TO SUBMIT PUBLIC COMMENTS DURING THE PUBLIC COMMENT PERIOD WHICH ARE TIME SENSITIVE WITH A LIMITED WINDOW OF OPPORTUNITY TO ARIZONA DEPARTMENT OF WATER RESOURCES AS IT PERTAINS TO THE WATER APPROPRIATION APPLICATIONS THAT HAVE BEEN SUBMITTED BY UNITED STATES FOREST SERVICE

Mr. Shamley stated that deadline for this protest/comment period is February 15, 2011. Mr. Shamley recommends that the town submit a protest letter. (Mr. Shamley explained that a protest letter is not necessary for protests and is what the ADWR calls any comment on claims – same as a comment letter.) Because of the lengthy process for claim submittal and acceptance or denial, (possibly five to ten years), by submitting a protest letter the Town's

concerns can be addressed, and the ADWR can keep the Town informed as data is developed on the claims, and status of the claims change or are reported. This is the most advantageous position the Town can be in as new Council members come and go, the information will continue to flow into the Town keeping new and old abreast of the claim status.

Mayor Holaway stated that she had a chance to speak with the Town Attorney Doug Brown at a Pioneer Water Users Meeting and he advised that none of the tributaries relate to the Pioneer Water Company or its resources; and he said they were not to be concerned about this issue. She added that none of the claimed tributaries run into Eagar, that they run away from Eagar and into other entities. David Brown is working with some of the water user groups on this issue. Mayor Holaway has an issue with submitting a letter of protest since Eagar does not have a vested interest. Doug Brown advised Mayor Holaway that the Town should not commit any resource to this issue; do not spend money on the issue because it doesn't relate to Eagar water and the Town.

After much discussion the Council agreed that they would like to have updates from ADWR on this issue, which could take many years to draw to a close. That they do not want to entitle their letter a "protest" letter, but that they want to be kept abreast of the issue, and can continue to have a seat at the table as more concerns arise.

Councilor Debbie Rogers moved that the Town Council submit a letter from the Town of Eagar to the Arizona Department of Water Resources requesting that the Town has concerns and that the Town would like to be in the loop as far as getting questions answered and watching this process as it goes forward. Councilor Gary Finch seconded.

Discussion: Councilor Steve Erhart further recommended that Vice-Mayor Nelson work with Doug Brown to construct the letter.

All Councilors were in favor of the motion, motion carried unanimously. 7-0

D. DISCUSSION AND CONSIDERATION TO AWARD BIDS ON FOUR PROJECTS FOR ENERGY EFFICIENCY GRANT 110-10

Economic Development Apache County Director Hank Rogers reported that this is the last distribution for the Energy Efficiency Grant. There will be small follow up orders that will need to be completed with the remainder of the grant funds. The bid requests were advertised as required but there were few bids submitted. Mr. Rogers recommends that these four projects be awarded to the lowest or only bids submitted.

Vice-Mayor James Nelson, Jr. moved to award bids on the four projects presented for the Energy Efficiency Grant 110-10 to the low bidder or only bidder. Councilor Byron Smith seconded; all were in favor, motion carried unanimously. 7-0

E. DISCUSSION AND CONSIDERATION TO AWARD BID TO REPLACE THE HALL WELL PUMP, MOTOR, AND CERTIFIED COLUMN PIPE

Mayor Holaway stated that this item will not be addressed tonight but will be moved to a future agenda.

F. DISCUSSION AND FIRST READING OF ORDINANCE 2011-02 AMENDING THE EAGAR TOWN CODE BY ADDING TO TITLE 5, CHAPTER 5.20 – LICENSING OF MEDICAL MARIJUANA-RELATED FACILITIES

Mayor Holaway stated that this item will not be addressed tonight but will be moved to a future agenda.

G. DISCUSSION AND FIRST READING OF ORDINANCE 2011-04 AMENDING THE EAGAR TOWN CODE BY REVISING TITLE 18, SECTION 18.64.110 – ALTERNATIVE POWER GENERATION

Community Development Director Bruce Ray stated that with the proliferation of alternative power generation systems becoming widely available, it is necessary to update the town code for those uses. The change to the town code involves clarifying location, set backs, and heights of alternate power generations systems.

H. DISCUSSION AND CONSIDERATION TO ACCEPT A POLLING PLACE AGREEMENT WITH APACHE COUNTY FOR USE OF EAGAR COUNCIL CHAMBERS AS AN ELECTION POLLING SITE

Town Clerk Eva Wilson stated that the purpose of the Polling Place Agreement is to allow Apache County to utilize the Eagar Council Chamber to conduct elections on selected dates.

Councilor Steve Erhart moved to enter into a Polling Place Agreement with Apache County for use of Eagar Council Chambers as an election-polling site. Councilor Byron Smith seconded; all were in favor, motion carried unanimously. 7-0

ITEM #11: SIGNING OF DOCUMENTS

Mayor and Council signed the Minutes of January 2011; and the Mayor signed the Polling Place Agreement with Apache County.

ITEM #12: ADJOURNMENT

Councilor Gary Finch moved to adjourn the meeting at 8:47 p.m. Vice-Mayor James Nelson, Jr. seconded; all were in favor and the motion carried unanimously. 7-0

Attest: _____

Mayor: _____

Eagar Council Regular Session
February 1, 2011

Vice-Mayor: _____

Council: _____

CERTIFICATION OF COUNCIL MINUTES

I hereby certify that the foregoing minutes are true and correct copy of the minutes of the regular session of the Town of Eagar, Arizona held on February 1, 2011. I further certify that the meeting was duly called and held and that a quorum was present.

Eva M. Wilson, Town Clerk