

**MINUTES OF THE UTILITIES BOARD MEETING
OF THE
TOWN OF EAGAR, ARIZONA
June 5, 2007
12:00 P.M.**

BOARD MEMBERS PRESENT Kim Holaway, Chairman - Council Member
Rick Pinckard, Town Financial Administrator
Elwin Browning, Public Works Administrator
Milt Nelson, Water Utility and Wastewater Dept.
Bill Greenwood, Town Manager
Steven Heap, Citizen Member
Dennis Bigelow, Citizen Member
Eva Wilson, Staff

GUEST Bruce Ray, Planning & Zoning Administrator

1. CALL TO ORDER

Chairman Kim Holaway called the meeting of the Utilities Board to order at 12:00 p.m.

2. CALL TO THE PUBLIC

Pursuant to public notice of this meeting, there was a call to the public. Rick Pinckard addressed the Board as a member of the public and commented that Springerville and Eagar Councils are discussing consolidation and cooperation of services and he suggested that the Councils could look into forming a Utilities District. The benefit would be that utilities prices could be lower because of the increased customer base. Examples of towns with utilities districts would be Pinetop-Lakeside; however there is no known utilities district with participation from two towns in the same district. Mr. Pinckard will conduct some research on the subject of utilities districts. The League may have some insight on this subject also.

3. REVIEW OF MINUTES OF PREVIOUS MEETING

A. APPROVAL OF THE MAY MINUTES OF THE UTILITIES BOARD

Rick Pinckard moved to approve the minutes of May 2007 as submitted. Seconded by Elwin Browning; all were in favor, motion carried.

4. A. WATER DEPARTMENT REPORT

1. CONSIDERATION OF THE KENNEDY WELL AGREEMENT

Bill Greenwood stated that the Kennedy Well proposed agreement is on the Town Council Agenda for tonight.

The Kennedy Well is sustaining output of 200 gallons per minutes. There will be an escape clause in the agreement in case the water quality is bad or the quantity does not

remain optimal. Results on waters tests the Town had performed have come back favorable.

Mr. Kennedy is requiring a \$36,000 down payment in July 2007 with the first of the annual payments of \$36,000 to begin January 2008 for 20 years and the Town will get 8 million gallons of water a year included in that price. Any water used over that 8 million gallons, the Town will pay .0015 dollars per gallon, paid to the Kennedy Family Trust. Mr. Kennedy is also asking for a royalty fee of .0015 for 20 years and .001 thereafter in perpetuity. After the 20 years the well and property (3 acres) will belong to the Town.

The Kennedy Well still needs ADEQ approval, electricity, and water lines run off of it to make it fully operational. The electricity and water lines will come off of a 50 foot public right of way off of 5th Avenue. There would still need to be engineer studies to determine an appropriate placement of a water tank should one become necessary.

Board members Steven Heap and Dennis Bigelow made additional inquires about the .001 royalty fee in perpetuity. Rick Pinckard remarked that in 20 years as the costs escalate .001 will be a miniscule amount.

Rick Pinckard moved to recommend to the Town Council that they move forward with the agreement on the Kennedy Well. Milt Nelson seconded.

Discussion: Dennis Bigelow inquired about Parker-Davis and Bill Greenwood explained the hydro power availability and those municipalities are eligible for this hydro power if they have utilities and that the Utilities Board was created to meet the criteria to be eligible for lower priced hydro for the municipality.

Steven Heap inquired about the production of other town wells. Milt Nelson advised the Board that all the wells pump approximately 1 million gallons a day. The Pool Well has been pumping bad water for a year and has not been used in that time. Crosby Well pumps 86 gallons per minute for half a day. The Scotty Well has been abandoned. Three wells are basically pumping all the water for the Town. Only the Hall, Ramsey Park, and Nicoll Wells are used regularly. The Golf Course Well is not on line at the time and will be soon. The Town is in need of another water source in case something were to go wrong with these wells. Plus Mr. Kennedy could be used for more consultation for the Town as the Town prepares to drill more wells for future growth.

All were in favor to recommend to the Town Council to move forward with the agreement on the Kennedy Well, motion carried.

2. DISCUSSION AND CONSIDERATION OF METER INSTALLATION CHARGES FOR 1", 1.5", AND 2" METERS

When the Town Council passed the water rate increase, the installation charge for the larger meters was left off the resolution. The installation charges for these larger meters should also be increased or decreased depending on the Consumer Price Index for five years.

Elwin Browning moved to propose a resolution charging for the installation of the larger meters, labor included the price to be based on the Consumer Price Index for the next five years. Bill Greenwood seconded; all were in favor, motion carried.

3. CURRENT PROJECTS AND ESTIMATED COSTS

Current projects are Main Street completion to include the water and sewer hook ups. All costs are within the estimated costs.

4. PROJECTED PROJECTS AND ESTIMATED COSTS

Projected project(s) for the remainder of this year are the Butler Street water line project from 4th Avenue to 8th Street at a cost of approximately \$170,000. The funding is provided by a Community Development Block Grant (CDBG).

No paving or lying of additional water and waste water lines will be conducted until 2008 unless they are paid for by a citizen.

4. B. **WASTEWATER DEPARTMENT REPORT**

1. CURRENT PROJECTS AND ESTIMATED COSTS

Current project to be completed is Main Street waste water lines and paving.

2. PROJECTED PROJECTS AND ESTIMATED COSTS

After January 2008 the eight areas that the Town deemed necessary for the placement of new waste water lines and considered a priority will be started. 8th Street will need 600-700 feet of paving.

The Foothills Subdivision waste water lines will be proposed in the 2010 CDBG process.

4. C. **PUBLIC WORKS / ADMINISTRATIVE FACILITY REPORT**

Rick Pinckard requested that the Utilities Budget be placed on next month's agenda.

The General Contractors Association generated a complaint to the Attorney General accusing the Town of performing a job (Main Street 1st Avenue – Central Avenue) over the allotted amount. However the project is under the allotted amount of \$180,000 and a response by the Town has been sent to the General Contractors Association as well as to the Attorney General.

4. D. **OTHER DEPARTMENT REPORTS**

Roads projects can also be included on the Utilities Board Agendas for discussion and consideration.

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5. NEXT MEETING

The next meeting will be held on Monday, July 2, 2007 at 12:00 p.m.

6. ADJOURNMENT

There being no further business to come before the Board, Bill Greenwood moved to adjourn the meeting at 1:00 p.m. Seconded by Steven Heap; all were in favor.

Chair Kim Holaway