

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, HELD JANUARY 4, 2011, AT 6:00 P.M., AT THE CITY COUNCIL CHAMBERS BUILDING, 826 NORTH MAIN STREET, COTTONWOOD, ARIZONA.

CALL TO ORDER AND ROLL CALL

Mayor Joens called the regular meeting to order at 6:00 p.m. Roll call was taken as follows:

COUNCIL MEMBERS PRESENT

Diane Joens, Mayor
Karen Pfeifer, Vice Mayor
Tim Elinski, Council Member
Linda Norman, Council Member
Terence Pratt, Council Member
Darold Smith, Council Member

COUNCIL MEMBERS ABSENT

Duane Kirby, Council Member

STAFF MEMBERS PRESENT

Doug Bartosh, City Manager
Marianne Jiménez, City Clerk
Steve Horton, City Attorney
Mike Casson, Fire Chief
Rick Contreras, Fire Inspector
Dan Lueder, General Services Manager

Matt McLean, Deputy Clerk
Pat McInnis, Firefighter
Leslie Wager, Admin. Coordinator
Debbie Breitzkreuz, Wastewater Superintendent

PLEDGE OF ALLEGIANCE TO THE FLAG

The Pledge of Allegiance was lead by Connor McLean, a student at Cottonwood Elementary School and a member of the school's Leadership Club.

PRESENTATION OF THE EMPLOYEE OF THE FOURTH QUARTER AWARD TO FIREFIGHTER PATRICK MCINNIS & ADMINISTRATIVE COORDINATOR, LESLIE WAGER

Mayor Joens, Vice Mayor Pfeifer, Fire Chief Casson, Fire Inspector Rick Contreras, and City Manager Doug Bartosh presented Firefighter Pat McInnis with a check and certificate for being selected as Employee of the Quarter for the fourth quarter.

Mayor Joens, Council Member Pratt, and City Manager Doug Bartosh presented Leslie Wager, Administrative Coordinator for the Community Development Department, a check and certificate for also being selected as Employee of the Quarter for the fourth quarter.

PRESENTATION OF A PLAQUE OF APPRECIATION TO YAVAPAI BROADCASTING

Mr. Bartosh gave a synopsis of the many community events Yavapai Broadcasting had participated in and the work they did to keep the community informed. The entire Council

and Mr. Bartosh then presented Dave Kessel with a plaque of appreciation.

PRESENTATION OF A CERTIFICATE OF APPRECIATION FROM PROJECT WET FOR THE CITY'S ASSISTANCE WITH THE VERDE VALLEY WATER FESTIVAL

Vice Mayor Pfeifer, Council Member Norman, and Debbie Breitzkreuz were presented with a certificate of appreciation by the Mayor that was awarded to the city from Project Wet for its participation in the Verde Valley Water Festival.

Ms. Breitzkreuz then showed photos from the 2010 Arizona Make a Splash Project Wet Verde Valley Water Festival event.

BRIEF SUMMARY OF CURRENT EVENTS BY MAYOR, CITY COUNCIL AND/OR CITY MANAGER-- THE PUBLIC BODY DOES NOT PROPOSE, DISCUSS, DELIBERATE OR TAKE LEGAL ACTION ON ANY MATTER BROUGHT UP DURING THIS SUMMARY UNLESS THE SPECIFIC MATTER IS PROPERLY NOTICED FOR LEGAL ACTION

Mr. Bartosh announced the following:

- On January 17 the recreation center would start the weigh-in for the Looking Good Cottonwood weight loss competition which was sponsored by the Parks & Recreation center and the Verde Valley Medical Center.
- We had three new officers who started the beginning of this week.
- This weekend was a challenge for the Fire Department and the Utility staff with the extremely cold weather with calls for broken pipes.

Mayor Joens announced the following:

- Tomorrow at noon at the recreation center there would be a little ceremony for the Verde Valley Medical Center's donation of a blood pressure machine to the recreation center.
- She attended a senior officials' disaster management class for water and wastewater on December 15, which was also attended by Council Member Smith.
- On December 16 she attended the executive committee meeting at the League of Arizona Cities and Towns in Phoenix and met their new League staff members.
- She attended the Alternate Pension and Benefits Trust Board meeting.
- She attended the St. Joseph's Catholic School's Christmas play.
- She attended the monthly dinner for the Veterans of Foreign Wars, a Toastmasters holiday event, on the 21st the Chamber held a holiday reception, and she also attended the Verde Valley Senior Center's Christmas luncheon.
- Yesterday she and the City Clerk attended the Governor's inauguration and also saw the Honorable Ken Bennet, Tom Horn, Doug Ducey, John Huppenthal, and Joe Hart take their Oaths of Office.

CALL TO THE PUBLIC

There were no comments from the public.

APPROVAL OF MINUTES—SPECIAL MEETINGS OF 10/19/10 & 11/2/10, SPECIAL WORK SESSION OF 10/20/10, REGULAR WORK SESSION OF 11/9/10, & SPECIAL MEETING OF 11/16/10

Council Member Elinski moved to approve the minutes. The motion was seconded by Council Member Norman, and carried unanimously.

UNFINISHED BUSINESS—NONE.

CONSENT AGENDA—The following items are considered to be routine and non-controversial by the Council and will be approved by one motion. There will be no separate discussion of these items unless a Council Member or a citizen so requests, in which case the item will be removed from the Consent Agenda and considered in its normal sequence on the Agenda.

RESOLUTION NUMBER 2567— ACCEPTANCE OF A GRANT FROM THE ARIZONA DEPARTMENT OF HOMELAND SECURITY FOR MOBILE AND PORTABLE RADIO EQUIPMENT FOR THE COTTONWOOD POLICE DEPARTMENT

RESOLUTION NUMBER 2568—ACCEPTANCE OF A GRANT FROM THE GOVERNOR'S OFFICE OF HIGHWAY SAFETY FOR UNDERAGE ALCOHOL ENFORCEMENT BY THE COTTONWOOD POLICE DEPARTMENT

Council Member Norman moved to approve the Consent Agenda. The motion was seconded by Vice Mayor Pfeifer, and carried unanimously.

NEW BUSINESS—The following items are for Council discussion, consideration, and possible legal action.

APPROVAL OF THE REQUEST FOR STATEMENT OF QUALIFICATIONS PACKET FOR THE DESIGN/BUILD OF THE RIVERFRONT PARK WATER RECLAMATION FACILITY

Mr. Lueder stated this project had been discussed at seven separate public meetings. At the last meeting of November 9, 2010, the Council gave direction to staff to develop a request for statement of qualifications packet and bring it back for consideration. If the Council approved this tonight all it was approving was the makeup of the packet and allowing staff to advertise this and begin the selection process. Staff would return at a subsequent meeting to recommend which team the selection committee felt was best suited to perform this project and ask for Council approval to enter into an agreement with that firm. The design scope would include at least two public meetings that would specifically be for residents to comment on the proposed design of this plant. The proposed selection committee would be Troy O'Dell, P.E., the city's utility engineer; Roger Biggs, the utility

administrative manager; Scott Mangarpan, the city's project manager; Morgan Scott, staff engineer; and a senior management employee of a licensed contractor. It was staff's recommendation that Mr. Bob Backus be asked to fill this as he had previous experience in this.

Council Member Pratt stated the packet looked pretty complete to him.

Council Member Elinski stated he would agree with Council Member Pratt, and he was impressed at the scope of the packet. He did not recall doing this for the recreation center and it seemed it was all encompassing.

Mr. Horton stated this was a different delivery method and they had special outside counsel to help with this who was very familiar with this delivery method.

Council Member Pratt stated it seemed to require specific actions from whoever got the contract and it really seemed to protect the city.

Mayor Joens questioned item 7 under the scope regarding dust prevention and that it did not specifically say they would be required to use reclaimed water and not potable, but that was in the city's ordinance, and would they be required to use it.

Mr. Lueder stated per the Council's action at a rate hearing several years ago, they had banned the use of hydrants for construction water and they would be required to follow that.

Mr. Horton stated all state laws, regulations, and local ordinances were read into the contract.

Mayor Joens stated it talked about cleanup, and she did not suppose it would be appropriate to ask them to recycle recyclables.

Mr. Lueder stated within the process there would be a scope negotiated and staff could bring that into the scope of their tasks.

Council Member Smith questioned if it was in the scope of work when they would come up with a final cost.

Mr. Lueder stated the scope would be developed through staff based on the feasibility studies and they would come back to the Council with a preliminary price when they came back with the recommendation. As they worked through the final design they would come back to the Council one more time with the final guaranteed maximum price (GMP).

Council Member Smith questioned when did they do a study on what the sewer rates were going to be when this thing was built out and they knew what the cost was.

Mr. Lueder stated it was his understanding, and it was the Council's decision, it would be

funded by capital reserves which would not affect the rates. The operation of the plant should be incorporated into our normal operations because some of the reductions in cost, such as we would not be pumping sewage 600 feet in elevation and about four miles in distance. They would see a huge reduction in costs on what it cost to operate the other plant, and that cost should balance out the operation of this plant. We were not going to have power costs because the Council had expressed an interest in solar power. It was going to be a very cost effective plant and they were not anticipating adding staff for it, as they believed they could staff it with our current staff.

Council Member Smith stated when we build a new sewer plant will we be needing to raise rates after it's built and are we going to be doing any studies.

Mr. Lueder stated Mr. Rodriguez (finance director) now had the capabilities, which we did not have in the past, to analyze both our water and sewer rates on an annual basis. In talks with the City Manager and finance director he thought we would be coming back and doing those as part of the budget process on an annually basis internally.

Mayor Joens stated she thought we would do that every budget year and was something that Mr. Rodriguez had to look at. The operations, as she understood it, was different than capital expenditures.

Mr. Bartosh stated it was the Council's direction to make this part of the budget process in terms of the cost of water and sewer. What he heard Mr. Lueder saying was based on the information we have today there shouldn't be an additional burden on our rate payers based on the fact that we have capital dollars to do this.

Mayor Joens stated there may be other issues that are unforeseen at this time that could be brought before the Council in the future that would demand their attention.

Council Member Pratt stated what they were looking at tonight was issuing the request for qualifications. It was a complete packet and the committee Mr. Lueder suggested to review these was appropriate.

Mr. Bob Oliphant addressed the Council and stated the Council was moving forward and would approve tonight a project that might be the best thing since sliced bread; it simply was not needed and there had been no demonstrated need of this project made to the public. He referenced the official minutes of the Cottonwood City Council of May 26, 2009, which he read that was in response to a question about the capacity of the current sewer plant: "Mr. Lueder stated the plant currently operated at 70 percent." Mr. Oliphant stated it was not operating at 70 percent; it was operating well below 70 percent. He again read from the same set of minutes as follows: "We were supposed to start planning for additional capacity when the level of use reached 80 percent." Mr. Oliphant stated you were nowhere near 80 percent. He held up a document from the Arizona Department of Environmental Quality (ADEQ) dated June 22, 2010, which was an inspection report prepared by ADEQ on the existing sewer plant. He stated you would find nothing in there that suggested the existing

plant was not operating 100 percent in terms of its quantity. On page three you will find specific information about its current operational capacity which said: "This plant is permitted to treat and discharge up to 1.5 million gallons per day of sewerage. Flows currently average less than 1.0, one million gallons per day."

Mr. Lueder stated the flows were under a million gallons a day; 997,000 was under a million gallons a day. When he made the statement at 70 percent we were over a million gallons a day. Our conservation has worked and the flows had gone down. He did not need a calculator to tell them that if you divide a million gallons by 1.5 million gallons that was 66.66 percent. That was nowhere near 50 percent. What was quoted to talk about talking designing a plant at 80 percent had nothing to do with the Riverfront water reclamation facility. They had never presented it to Council that this was development driven or that this was as a result of the other plant being overcapacity. This from the beginning had been two things; number one, we were pumping 350,000 gallons a day of raw sewage 600 feet in elevation and probably over four miles in distance at a huge cost, all the while, Riverfront Park was starving for water. It was a perfect match. As far as the scopes go, if you also read the minutes you would see that the Council after the first scope requested an expanded scope. The initial scope was for a small study. As we got into it and determined what the Council actually wanted it was based on what the Council was asking for. Though studies were performed, there was over 200 pages of documentation that he had offered up many times to many of the people that have said this is a bad project, and he had yet to be contacted by the press or by any of the people that have portrayed this as a bad project.

Mayor Joens stated some of the documentation deals with data that is very flexible.

Council Member Norman asked how long this project will take to build.

Mr. Lueder stated the actual construction will take about 18 months. It would be about two years until it is completed. Using the design-build will eliminate the long lead design time.

Mayor Joens stated this was one Council that evaluates data and gets recommendations, but makes the final decision based on good research from people that we hired to do the job. One of the things that were remarkable about this Council was its ability to look into the future.

Council Member Pratt moved to approve the request for statements of qualifications packet for design-build of the Riverfront Water Reclamation Facility and authorize staff to advertise the packet. The motion was seconded by Council Member Elinski, and carried unanimously.

RESOLUTION NUMBER 2569--CALLING FOR A SPECIAL FRANCHISE ELECTION ON THE QUESTION OF RENEWING ARIZONA PUBLIC SERVICE COMPANY'S (APS) FRANCHISE AGREEMENT

Mr. Horton stated 25 years ago APS received its franchise. Under state law, a public utility needs a franchise from the municipality to operate within that municipality and use the

public right-of-ways. No franchise can be granted without the municipality vote. The franchise agreement would be brought to the Council for approval at a future meeting, and the franchise election question will be included on the May 17 ballot.

Council Member Pratt asked about the fee structure and the fee being 2 percent of the gross receipts and if it exceeded \$75,000 a year than the city could be paid monthly. He wanted to know what the fees were currently.

Mayor Joens stated they would probably find out about the fees during the budget process. She also wanted to know how much we paid APS just to run the city.

Council Member Norman stated that the claims report indicated we would be paying \$41,000 and \$15,000 for two months of Service.

Council Member Elinski moved to approve Resolution Number 2569, calling for an election of the question for renewing APS's franchise to operate an electric utility within the City. The motion was seconded by Council Member Pratt, and carried unanimously.

Mayor Joens requested City Clerk read Resolution Number 2569 by title only:

RESOLUTION NUMBER 2569

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, YAVAPAI COUNTY, ARIZONA, PROVIDING NOTICE OF A SPECIAL FRANCHISE ELECTION SCHEDULED FOR MAY 17, 2011.

CLAIMS & ADJUSTMENTS

Mayor Joens moved to pay the Claims and Adjustments. The motion was seconded by Council Member Norman, and carried unanimously.

ADJOURNMENT

Mayor Joens moved to adjourn. The motion was seconded by Council Member Elinski, and carried unanimously. The regular meeting adjourned at 7:13 p.m.

Diane Joens, Mayor

Marianne Jiménez, City Clerk

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CERTIFICATION OF MINUTES

I hereby certify that the attached is a true and correct copy of the minutes of a regular meeting of the City Council of the City of Cottonwood held on January 4, 2011. I further certify that the meeting was duly called, and that a quorum was present.

Marianne Jiménez, City Clerk

Date