

MINUTES OF THE SPECIAL MEETING OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF PINETOP-LAKESIDE, ARIZONA, HELD FEBRUARY 17, 2009 AT 7:00 P.M. IN THE TOWN COUNCIL CHAMBERS.

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<u>ROLL CALL:</u>	<u>Present</u>	<u>Absent</u>		<u>Present</u>	<u>Absent</u>
Mayor Luke Smith	<u>X</u>	<u>    </u>	Stephanie Irwin	<u>X</u>	<u>    </u>
Vice Mayor Rich Crockett	<u>    </u>	<u>X</u>	Kim Webb	<u>    </u>	<u>X</u>
Woody Biscoe	<u>X</u>	<u>    </u>	Leslee Wessel	<u>X</u>	<u>    </u>
Norris Dodd	<u>X</u>	<u>    </u>			

NAVOPACHE ELECTRIC COOPERATIVE BOARD MEMBERS AND STAFF PRESENT:

Brad Baker, David Plumb, and Joe Kay.

PINETOP-LAKESIDE SANITARY DISTRICT BOARD MEMBERS AND STAFF PRESENT:

Dave Smith, Linda Lionberger, Diana Butler, Mark Wessel, Kim Boucher, and David Renner.

TOWN STAFF PRESENT:

Kelly Udall, Town Manager; Rosemary Rosales, Town Attorney; Lu Anne Frost, Town Clerk; Tom Thomas, Public Works Director; and Woody Eldredge, Chief of Police.

WELCOME:

Mayor Smith called the meeting to order at 7:15 p.m. He thanked Councilwoman Wessel for the dessert potluck idea, and thanked all who brought desserts.

INTRODUCTIONS:

Those in attendance introduced themselves.

EMERGENCY SERVICES:

Mayor Smith stated this item is to discuss how each entity handles emergency services. He stated the Town had difficulties with plowing the snow. He stated they did the best they could with limited resources and equipment. He said he hoped the Town's inability to take care of things was not detrimental to the other services. He said they want to know if there is a problem with the roads, and on the other hand, the Town needs to know when the power is out, as communication is very important.

Dave Smith stated the Sanitary District has problems with the lift stations in the snow, and they do not all have back-up generators so when the power is out, that is a problem. He said they had to send staff out to make sure all of the lift stations were working properly, and sometimes have

to clear snow to get the equipment in to pump. He said it is a stressful time. He said they tried to have the necessary equipment, but getting to the lift stations was difficult. He said it was a good experience for them.

Kelly Udall stated it is good to get other people's perspective. He asked what they thought about the road clearing and what the Town could do to help. David Plumb stated they did not have any problem with the roads; the 8 feet of snow in Greer caused them problems. He said they had equipment at Sunrise for over a week. He said the snow was so deep they had to helicopter the crews in, who then had to use snowshoes to get to the problem.

Chief Eldredge stated Navopache Electric provided the Police Department with an emergency telephone number, but said they had a hard time reaching them. He said they did receive fax transmissions from NEC. Mr. Plumb stated that telephone number had been too widely disseminated. He said they would be establishing a new number and would not give it out to as many people. He said they have to be careful about radio use. Mr. Udall stated many calls came to Town Hall. Mr. Plumb stated they encourage their customers to call because sometimes the power have been restored to a neighborhood, but that customer might have an additional problem and still does not have power. Mr. Udall stated the Town could help disseminate information. Mr. Plumb stated NEC has a priority restoration list. Mr. Smith stated it could have been worse. Kim Boucher stated Arizona Water has 1,000-gallon tanks and said when there are power outages it causes the water to slow down. Mr. Smith stated that actually helps the Sanitary District.

Mr. Smith asked why they only plow the roads one-bus width. Tom Thomas stated they start with the major arterials and then the school bus routes. He stated they did not have the resources to get the roads cleared during this storm. He stated Navajo County allowed the use of their equipment, when they were not using it.

#### TOWN OF PINETOP-LAKESIDE UPDATE:

Mayor Smith stated it is a busy time even though the budget is down. He stated the Town is in the midst of updating the General Plan, which would be included in the March 2011 ballot. He stated he appreciates the committee participation and input, and said the next meeting would be during the second week of March. He stated the Drachman Institute of the University of Arizona is conducting a housing assessment, which would assess the housing needs of the Town to see where they are at and where they need to go, based on the needs of the citizens. He said the housing element would be a part of the General Plan. He stated it is very important for everyone to participate in the upcoming Census. He said the Forest Health Committee is making progress and working on a better way to keep the forest healthy. He stated the Planning & Zoning Commission is discussing mixed-use zoning with an overlay district zoning designation. He stated they need to plan even when growth is slow, and said it is a good time to assess where they are.

Mr. Udall stated the Town submitted a TIGER Grant in conjunction with Navajo County and the City of Show Low to widen Porter Mountain Road and the Billy Creek Bridge, and to complete Scotts Ranch Road. He said it would have been a great project, but said the Town received word

today that they were unsuccessful. He said the funding went to a streetcar project in Tucson. He said they would still work on this necessary concept. Mayor Smith stated it was a good exercise working with the other entities, and said they plan to move forward with the Billy Creek Bridge project, as passing over the bridge is dangerous and reconstruction is a top priority for the Town. He said they are hopeful for appropriations through Congress, but said there are other grants to pay for engineering, and it would be shovel ready. Mr. Udall stated they traded the City of Holbrook for STIP funding, and said they hope to have a little over \$2.5 million to conduct the engineering design and environmental study. He said they hope to have an Intergovernmental Agreement with Navajo County on the March 4 Town Council Agenda. He said the State has since pulled all STIP funding, but said they would continue to work on it. Mayor Smith stated the Town did receive some grants for ball field lighting and thanked NEC for their assistance. He said the new lighting is energy efficient.

Mayor Smith stated the biggest issue the Town is facing is the budget concerns. He said they had to make some hard choices. He said they were operating in the black due to efforts of Mr. Udall, Kent Brooksby and staff, but said they hit a snag in December and are now operating in the red. He said it is hard to plan, as the numbers are a month behind. He said sales tax is down over \$200,000, which is more than \$250,000 below last year. He said total revenues are down over \$400,000, which is 33% from 2 years ago. He said in light of that, they have cut back on capital improvement items; have instituted mandatory furlough for all employees, except dispatchers; and have laid off three members of staff. He said they hope to be in a better position when approving the new budget.

Mayor Smith stated ADOT should start the Lakeside Streetscape project in April, barring any further cuts. He said this project would extend from Porter Mountain Road to Woodland Road, and will include solar powered lighting and landscaping. He said they are looking forward to the opening of the new nursing facility in the Maverick Center and the new jobs it would create.

#### NAVOPACHE ELECTRIC COOPERATIVE UPDATE:

Brad Baker stated NEC is dealing with zero growth, failing revenues, pay freezes, and a reduction in force just like the Town.

Mr. Plumb stated for 25 years they have contracted with Public Service of New Mexico, and for 10 years, the rates were set. He said they would see a substantial increase; the first step occurred last July and another in January, and said there would be two more in the future. He said the wholesale rates are lower than any other cooperative in the State; and said they are negotiating for the next 14 years. He said they are trying to develop a formula rate and hope to have stable rates for a long time. He said they are working very hard to get a share of the power from the Hoover Dam, and said they may need letters of support. He said this would be a reasonably priced long-term power supply. He stated they might be able to recoup some of the overtime they paid due to the storm in a FEMA reimbursement. He stated the first phase of the new complex at The Commerce Park is coming soon. He said they rescheduled it for the March 2 meeting of the Planning & Zoning Commission. He stated they are looking into geothermal, which is renewal energy. Councilwoman Wessel asked what people do who are not able to pay their electric bill. Mr. Plumb stated NEC used to have a program called Operation Round Up,

but said it is now called SHARE, and is administered by the Salvation Army. He stated NEC would work with people. He said the number of bankruptcies has increased.

Mr. Udall thanked them for their help with Parks & Recreation ball field lighting project. Councilman Biscoe thanked them for their help with the Christmas lights.

#### PINETOP-LAKESIDE SANITARY DISTRICT UPDATE:

Mark Wessel stated they have been averaging 1.1 million gallons per day, but said that is well under capacity. He stated in 2006, they had 222 new customers; in 2007, they had 138, but said that in 2009 they only had 45 new customers. He stated they have had to disconnect some services due to bankruptcy and have had to cap some off. He said they are entering the budget process. He said they are doing okay, but they are always concerned.

Mr. Smith discussed the treatment process of the effluent utilizing Jacques Marsh and the sludge process used in the Digester, which produces a compost product. He stated they sell composted soil to the public at \$7 per yard, and said ADEQ requires testing the compost. He stated the compost is a good product to break up the hard soil as it allows the soil to retain water and keeps it aerated. He stated everything they do falls under EPA regulations. He stated they have an excellent partnership with Waste Management, who provides over 100 recycling bins for cardboard and paper around the community. He said the Sanitary District offers the destruction of confidential documents to the public during their hours of operation, Monday through Thursday, 7:30 – 11:30 a.m., and 12:30 – 4:00 p.m.

#### ITEMS OF MUTUAL INTEREST:

Mr. Plumb asked about recycling. Mr. Thomas stated the Town had been taking recyclables to Holbrook, but said that ended when they had no buyer for the plastics. He said there has been some interest from Holbrook in the last few days, and said they would take number 1 and 2 plastics. He stated they would again place the trailers, purchased with grant money, by the Circle K at the far end of Town. Mr. Smith stated Waste Management is helping them with their efforts. Mr. Udall stated they are trying to collaborate with the Cities of Show Low, Taylor and Snowflake for a Municipal Recycling Facility (MRF), which would include mandatory trash pickup combined with curbside recycling. He said they had received a grant for a feasibility study, but the State pulled it. Mr. Thomas stated the City of Show Low wants to establish a MRF surrounded by businesses that use recycled product.

David Renner asked if they could continue Pino Ridge Road through to Porter Mountain Road. Mr. Thomas stated the Town broached that topic with the County, but said the County was not interested.

#### CONFIRM HOST, DATE AND TIME FOR NEXT MEETING:

The Pinetop-Lakeside Sanitary District confirmed as host for the next meeting. They indicated it would be held in the fall and be the same type of format.

AGENDA ITEMS FOR NEXT MEETING:

Mr. Boucher suggested inviting other entities to the meetings. Diana Butler stated she had asked Jerry Brownlow to attend this meeting, but said he was unavailable.

The meeting adjourned at 8:40 p.m.

Dated this 23<sup>rd</sup> day of February 2010.

PINETOP-LAKESIDE TOWN COUNCIL

/s/ Lu Anne Frost, Town Clerk