

MINUTES OF THE SPECIAL MEETING OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF PINETOP-LAKESIDE, ARIZONA, HELD JUNE 23, 2011 AT 6:30 P.M. AT THE PINETOP-LAKESIDE SANITARY DISTRICT.

<u>ROLL CALL:</u>	<u>Present</u>	<u>Absent</u>		<u>Present</u>	<u>Absent</u>
Mayor Rich Crockett	<u>X</u>	_____	Dara Vanesian	_____	<u>X</u>
Vice Mayor Stephanie Irwin	<u>X</u>	_____	Kim Webb	_____	<u>X</u>
Dennis Hughes	<u>X</u>	_____	Leslee Wessel	<u>X</u>	_____
Luke Smith	<u>X</u>	_____			

NAVOPACHE ELECTRIC COOPERATIVE BOARD MEMBERS AND STAFF PRESENT:

David Plumb and Joe Kay.

PINETOP-LAKESIDE SANITARY DISTRICT BOARD MEMBERS AND STAFF PRESENT:

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

TOWN STAFF PRESENT:

Kelly Udall, Town Manager; and Lu Anne Frost, Town Clerk.

ITEM NO. 1, WELCOME:

David Renner called the meeting to order at 6:35 p.m. and welcomed everyone to the meeting. Mayor Crockett led the Pledge of Allegiance.

ITEM NO. 2, INTRODUCTIONS:

Introductions were not necessary.

ITEM NO. 3, NAVOPACHE ELECTRIC COOPERATIVE UPDATE:

David Plumb thanked the Sanitary District for the use of their facility. He stated the first phase of the new NEC facility is about 90% completed, and said they have started paving the parking lots. He stated the project is going well, but they do not have water yet. He stated they are in the process of a rate filing with the Arizona Corporation Commission, and said they are looking for a 7% across the board increase. He said, if granted, this would be the first increase since 2007. He stated they also have approval pending on a \$40,000,000 loan to rebuild the substation by Vernon and to purchase new equipment. He said they are asking for funding for a geothermal project. He said they have received information on funding, and have a permit for state land use. He stated geothermal is a 24/7 resource. He stated the Wallow Fire burned very little of their system. He said the firefighters did an excellent job protecting everything. He said the Willow Fire burned through a transmission line on the first day. He stated they were making the repairs,

and said they hoped to restore power by the next day. Kelly Udall stated the new facility looked great. Mr. Plumb stated there have been no injuries or lost time on the job, and said it is a good project. He stated they are waiting for Corporation Commission approval before the water line could be installed and connected. Councilmember Wessel asked when they would begin construction on the offices. Mr. Plumb stated they would remain in the current location for a couple of years.

ITEM NO. 4, PINETOP-LAKESIDE SANITARY DISTRICT UPDATE:

David Smith, District Manager, reported the Treatment Plant's processing availability is two million gallons per day; and said the District currently processes approximately 50% of that. He said the plant also processes 76 wet tons per month of biosolids, and said the compost that is produced uses biosolids, cardboard, paper and woodchips. He said the District's sewer projects are the Hilltop Drive area, Flag Hollow East, and rehabilitation of sewer mainlines. He continued his report on the District's current financial condition and how the projects are funded. He said the District had received approval of an increase of \$1.00 per month, per unit to the sewer user fee. He said those monies are earmarked for equipment maintenance and replacement. He said the District, over the past year, has processed 21 new connection permits and 5 new construction permits. He said there are currently 32 properties disconnected from sewer due to non-payment; and said the majority of those properties are bank owned. He said the District has also experienced a decrease in commercial revenues of approximately 3%.

Mr. Renner, Board Vice-Chairman, discussed the importance of the digester for the community. He said the installation of sewer during a slow economy, because of the low bids the District has been receiving, in turn has provided employment for the local area and the possibility of having a District Open House in August/September.

ITEM NO. 5, TOWN OF PINETOP-LAKESIDE UPDATE:

Mayor Crockett stated the community support for the evacuees was unbelievable. He stated the Town has resurfaced a portion of Niels Hansen, Pine View, and McCoy. He stated the forest was officially closed, with the exceptions of the Lakeside Campground, Woodland Lake Park, and Scotts Reservoir. He stated he recently went on a tour of Summit Regional Medical Center, and said the facility does not get as much credit as it should. He stated they have new equipment and upgrades, and said they would be spending \$60 - \$80 million over the next several years. He said they are also hiring more doctors. He stated the Town has formed the Walnut Creek Work Group to come up with ways to go forward to purchase the Walnut Creek Node. He stated the first meeting was scheduled for July 5. He stated they are seeing progress at the Maverik station, and said they plan to have it completed within 120 days. He stated this would benefit all three organizations. He stated it is hoped it might encourage others to look at revitalization and expansion. He stated he had tried to get the word out to the news stations that Pinetop-Lakeside was not involved in the fires, and that the Town is still open for business, but said the forest closure would have some impact. He stated they are hopeful a local contractor would submit bids for the restoration work.

ITEM NO. 6, ITEMS OF MUTUAL INTEREST:

1. EMERGENCY SERVICES:

Those present discussed working together in emergencies. Mr. Plumb stated his concern regarding the green waste site on Porter Mountain Road due to the current fire conditions. The Forest Service owns the property and leases it to a vendor. Kelly Udall stated he would contact Ed Collins to discuss the situation with him. Mr. Udall stated the Town would be having an election in August on Town Ordinances No. 11-349 and 11-350, which would increase the sales tax. He said the money would go toward the eventual purchase of Woodland Lake Park.

ITEM NO. 7, CONFIRM HOST, DATE AND TIME FOR NEXT MEETING:

The Town of Pinetop-Lakeside was confirmed as the host for the next meeting, which would be held on January 18, 2012 at Town Hall.

The meeting adjourned at 7:30 p.m.

Dated this 20th day of July 2011.

PINETOP-LAKESIDE TOWN COUNCIL

/s/ Lu Anne Frost, Town Clerk