MINUTES OF THE STUDY SESSION
OF THE TOWN COUNCIL OF THE TOWN OF CHINO VALLEY

TUESDAY, MAY 15, 2018
6:00 P.M.

The Town Council of the Town of Chino Valley, Arizona, met for a Study Session in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, May 15, 2018.

Present: Mayor Darryl Croft; Councilmember Mike Best; Councilmember Corey Mendoza; Councilmember Jack Miller

Absent: Vice-Mayor Lon Turner; Councilmember Cloyce Kelly; Councilmember Annie Lane

Staff: Town Manager Cecilia Grittman; Public Works Director/Town Engineer Frank Marbury;

Present: Development Services Director Jason Sanks; Customer Service Manager JoAnn Brookins; Administrative Technician Kathy Frohock (videographer); Deputy Town Clerk Vickie Nipper

1) CALL TO ORDER; ROLL CALL

Mayor Croft called the meeting to order at 6:15 p.m.

2) Presentation by Water Consultant Mark Holmes and discussion regarding long term storage credits and access to the Town's water portfolio. (Frank Marbury, Public Works Director)

Water Resources Consultant Mark Holmes presented on the following topics:

Terms

- Reclaimed, Effluent, Recycled Water – Water that has been treated for reuse.
- Wastewater – Water within the sewer collection system not yet treated.
- Acre-Foot (AF) of water – One acre of land one-foot-deep with water; 325,851 gallons; enough water to serve 3.5 - 4.5 homes for a year.

Water Resource Types and Availability

- Renewable water supplies – Water supplies that were renewed on an annual basis. There are basically two available types of water supplies within the Prescott Active Management Area (AMA):
  - Surface water: Chino Valley did not have any surface water rights.
  - Reclaimed or “recycled” water: The Town was currently creating this renewable water supply through its collection, treatment and recharge (CTR) system whereby wastewater is collected and treated at the Old Home Manor (OHM) Reclamation Facility and recharged back into the aquifer. This renewable water supply will continuously increase as the CTR system and the Town grow.
- Non-Renewable supply (Groundwater) – A finite quantity of water. The Town has various quantities through various types of rights. These will need to be discussed in more detail at a later time. Once they are allocated, the rights are gone.
Long Term Storage / Underground Storage Facility
Banking water in Arizona has occurred since the late 1980s when laws were created to encourage recharge activity. The only three types of water supplies that can be recharged and banked are Central Arizona Project water, in-state surface water, or reclaimed water. The Town is receiving credits for reclaimed water.

Currently, the Town is treating about 297 AF (nearly 96.7 million gallons) of wastewater per year at the OHM Reclamation Facility and recharging about 284 AF (92.5 million gallons) per year of water within the OHM Recharge Facility. The Arizona Department of Water Resources (ADWR) tracks the total amount of these credits banked for future use, similar to a bank savings account, which can be saved for certain uses or for assured water supply purposes.

Ownership of Reclaimed Water
Per Supreme Court case Arizona Public Service Co. v. Jon F. Long (1989), the law clarified that whoever generates and treats wastewater and produces reclaimed water owns it, even if that entity is not the water provider.

Review of Current Water Portfolio Access Ordinance/Resolutions
Ordinance 04-578:
- § 51.040 – Addresses the Town’s right to make water, effluent rights, and credits available for purchase only for a platted subdivision.
- § 51.035 – Provides for non-residential commercial water users to lease water credits.
- § 51.036 – Provisions for residential subdivisions assured water supply. Certificates can take up to and over a year to obtain.
- § 51.037 – Gives minimum criteria for allocation of water credits to development for a 100-year assured water supply and requirements for water delivery system.
- § 51.038 – Addresses development non-performance and forfeiture of water rights.

Resolution 05-763 – Sets the rate of $25,000 per AF for a 100-year assured water supply from reclaimed credits, retired irrigation grandfathered rights, or other water rights within the AMA.

Resolution 06-801 – Sets the rate of $45,000 per AF for a 100-year assured water supply for historically irrigated acres (HIA) outside the AMA, which water is located in Wineglass Acres.

Conclusions
- The Town was creating an assured water supply through the CTR system and should continue to bank its reclaimed water supplies.
- The Town, at its discretion, may make available certain assured water supplies; i.e. effluent water credits, for purchase or lease for residential or non-residential development.
- Currently, there is no criteria that clarifies who qualifies for access to the Town’s water portfolio.
- Certain requirements must be met if a development is granted access to the Town’s water portfolio.
- Development must perform in accordance with the Town’s timeframes or risk forfeiture of its water allocation

Recommendations for Policy Discussion
• Consider establishing development criteria for those whom the Town would prefer to access its water portfolio.
• Re-examine access fees to determine if they are still in line with capital improvement plans today.
• Encourage staff and Council to discuss establishing criteria for whom would get access to water, and develop a new policy.
• Consider creating increased water efficiencies or enhanced water conservation that would allow the very limited water supplies to be stretched further.
• Consider benefits of expanding sewer connections.
• Consider benefits of importing HIA water supplies.

Council and Mr. Holmes further discussed:

• Recharge in the Town: Public Works Director Marbury believed the Town was treating a little more water than it was pumping, since it was treating water from other water companies. Mr. Holmes added that while water in the Town’s aquifer was being pumped by the Town, Prescott, and private utilities, only the Town was putting water back in and getting credits.
• Access fees: Subdivisions were required to acquire a certificate of 100-year assured water supply through either the Town’s supplies or another water provider. The Town’s $25,000 access fee was for the whole 100 years. HIA water was costlier because the infrastructure to get that water to the Town will take substantial capital.
• Little Chino Aquifer: Mr. Holmes explained that Prescott was pumping from Chino, but its recharge facility was in Prescott. Prescott also received credit for surface run-off into lakes and rivers. Prescott Valley also moved its wells to the Little Chino Aquifer to get better water, but only the Town was recharging water into this aquifer. This was most likely why the water table was dropping and he believed the aquifer was in overdraft. The Town should consider moving its wells to OHM and there was an overall need to manage it better.
• Package plants and recharge: Mr. Holmes related that package plants can recharge, but it was up to ADEQ and required a permit. The Town could require it, but it would only be cost effective if the package plant was to run for a long period of time. Mr. Marbury reported that per the Town Code, aside from rezoning or a development agreement, package plants were not allowed, although development agreements in the past allowed for them temporarily. If needed as an interim solution, staff could negotiate as to who would operate the plant and who would own the credits.

Mr. Marbury told Council that developers were now asking the Town about recharge credits. Staff needed education on the laws and direction from Council as to who should be offered Town water; i.e. residential versus commercial and general policy of access, so staff would not waste developers’ time.

Council preferred that:

• Staff schedule a mini-retreat on these items;
• Staff provide different scenarios with regard to different sizes of businesses, from OHM industrial to mom and pop commercial businesses, and small to large subdivisions; as well as development that did not require an assured water supply, such as a large apartment complex.
• Staff make a recommendation for AF price.
3) Presentation and discussion regarding Code Compliance regulations, direction and priorities for the coming fiscal year. (Jason Sanks, Development Services Director)

Mr. Sanks reported that during the last retreat, Council and staff discussed code compliance issues with regard to property maintenance and zoning use violations. Due to lack of staffing, code compliance was more reactionary and primarily addressed residential violations, leaving commercial compliance un-addressed. Council asked staff for a plan to address these matters.

To start, Mr. Sanks compared code compliance cases during the last two quarters. In 4th Quarter 2017, weeds were 70%, storage 13%, and miscellaneous 17%. In 1st Quarter 2018, weeds were 36%, outdoor storage 10%, and miscellaneous 54%. With the monsoon coming, weeds and tumbleweeds will increase significantly.

Mr. Sanks and Customer Service Manager Brookins presented facts, challenges, and options/recommendations and led discussion on the five discussion points from the retreat.

1. **Funding for vacant property abatement**
   - **Facts:** Cases were neighbor-driven. Last year, staff had 15 cases wherein there was no response to the complaint. Most of these cases were on lots rather than acreages. As they posed a safety issue, the Town felt obligated to act. It cost $100 per acre to mow and mowers will not do small jobs.
   - **Challenges:** It was hard to obtain estimates for garbage abatement, as there have been only a couple severe cases and staff had difficulty finding contractors to give an estimate. Ultimately, these would be addressed through liens.
   - **Options/recommendation:** Staff estimated it would take $5,000 for active abatement of these properties.

Council and staff discussion:

- **Standards:** Staff was currently working with the town attorney on criteria and standards. Measures such as grass height, mow strips, and the like could be established through the property maintenance ordinance. Staff needed Council direction regarding measures and property thresholds, such as focusing on larger highway areas rather than residential.
- **Seasonal issues:** Monsoon season had to be assessed from a safety and fire danger perspective and addressed differently.
- **Property owner cooperation:** Processes could be different for non-responsive owners versus those who tried to work with the Town, but lacked the resources to respond, such as length of time given for compliance. Non-vacant properties needed to be addressed differently, as well.

Council comment: Mayor Croft noted that he received several complaints per month. Council generally supported staff’s recommendation.

2. **Debris violators**
   - **Facts:** Debris could be garbage and weeds. The Town held bi-annual clean up campaigns at a total cost of $30,000. It cost $15 to take garbage to Paulden transfer station.
   - **Challenges:** Staff desired a program that was cost reasonable and effective.
   - **Options/recommendation:** Other jurisdictions had offered a voucher program to assist violators with a financial need. The question was whether or not the Town would create willful violators of the code with such a program. Staff estimated this would cost up to
Council and staff discussion:

- **Property owner cooperation:** A voucher would be a soft step to obtain compliance. Staff often talked with folks and tried not to be heavy-handed, but it was sometimes necessary. Violators who just did not care would be prosecuted.

- **Clean up campaign options:**
  - **One-year campaign:** They could use one-time construction sales tax dollars to provide large rolloffs several times throughout the year to get ‘caught up’, then go back to the status quo.
  - **Rolloffs in neighborhoods:** Experience with this in other entities resulted in more garbage being dumped on the site than would fit in the bins, requiring more time to clean up; people still dumping after the rolloffs were gone; loose garbage being dumped at night; and the neighborhoods not wanting to do it again.
  - **Rolloffs in a single location for a month:** In some places this worked better, but the Town did it once at OHM and it was a mess. Whether in neighborhoods or a single location, the Town would need to control the site.
  - **Periodic municipal waste pickup:** This would be helpful for those who could not help themselves. Staff did not know how much funding would be needed. Staff would need to assess issues for isolated people and will need input from the Public Works Director.

- **Resources and costs:** The Town could offer to assist folks without transportation. Staff will need to review budgetary requirements to expand the program. If Council opted for a one-year concentrated campaign, they could consider doing it on a contract basis. It was more appropriate for town staff if clean up days were more spread out. Staff would desire to do a soft-touch campaign for the commercial clean up to get word out.

- **Home beautification program:** Incentive programs had worked in other communities, such as cash awards, and before and after recognition.

Council comment: Mayor Croft suggested looking at quarterly pickups and costs.

3. **Weed abatement—size threshold.** This was not discussed separately.

4. **Second Code Compliance Officer for commercial properties**

  - **Facts:** Staff was hearing about and seeing more code issues along highway frontage, such as yard debris, illegal tattered signs, and the like.
  - **Challenges:** The current Code Compliance Officer was beyond capacity with just residential properties. The significant uptick in new development was stretching staff’s overall capacity as well.
  - **Options/recommendation:** Staff desired to explore the possibility of hiring a temporary employee for one year and then reevaluating during the next budget cycle. It would be helpful if said employee could work Saturdays and Sundays, when needed.

Council comment: Council agreed that there were too many properties out of compliance and they supported the recommendation for a temporary employee.

5. **Improving code compliance enforcement process**

  - **Facts:** Currently, violations were processed through the Court.
  - **Challenges:** State requirements made the Court process cumbersome.
Options/recommendations: Staff and the town attorney were looking into removing the process from the Court, except for cases of non-compliance with the citation, and using an administrative hearing officer. The Town had used this process in the past and would speed it up. The hearing officer would be someone on staff, such as a police officer.

Town Manager Grittman summarized Council’s preferences:

- Residential cleanup campaign for next year;
- Tightening down standards for consistent application;
- Hiring someone to focus on commercial properties; and
- Draft development standards for the highway that were different than off-the-highway and highway versus residential.

4) ADJOURNMENT

MOVED by Councilmember Jack Miller, seconded by Councilmember Mike Best to adjourn the meeting at 7:34 p.m.

Vote: 4 - 0 PASSED - Unanimously

ATTEST:

[Signature]
Jami C. Lewis, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the Town Council of the Town of Chino Valley, Arizona held on the 15th day of May, 2018. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 12th day of June, 2018.

[Signature]
Jami C. Lewis, Town Clerk