

BOARD OF SUPERVISORS
GILA COUNTY, ARIZONA

Date: January 23, 2007

JOSÉ M. SANCHEZ
Chairman

TOMMIE C. MARTIN
Vice-Chairman

SHIRLEY L. DAWSON
Member

STEVEN L. BESICH
Clerk of the Board

By: Marilyn Brewer
Deputy Clerk

Gila County Courthouse
Globe, Arizona

PRESENT: Jose M. Sanchez, Chairman; Tommie C. Martin, Vice-Chairman; Shirley L. Dawson, Member; Steven L. Besich, County Manager/Clerk; Marian Sheppard, Chief Deputy Clerk; and, Bryan Chambers, Chief Deputy County Attorney.

The Gila County Board of Supervisors met in Regular Session at 10:00 a.m. this date. Vice-Chairman Martin led the Pledge of Allegiance and Lt. Bruce Rogers of the Salvation Army delivered the Invocation.

At the request of Vice-Chairman Martin, Lynn Godfrey, Chairman of the Payson Water Task Force, provided a Power Point presentation regarding several sources of new water, the variables involved and their possible impact. Mr. Godfrey advised that he was presenting this information as Chairman of the Payson Water Task Force that was established by the Mayor of the Town of Payson. Town of Payson representatives and local citizens and businessmen from the Payson area serve on the Task Force and their charter is to address current and future water issues that affect the Payson area. He advised that many individuals serving on the Task Force are comprised of experts in the fields of geology, hydrology, engineering, accounting, cost estimating and law water, which is unique when compared to water preservation tasks forces or committees that have been formed in other communities. Mr. Godfrey began the presentation by stating, "This is a case study of what has been done." He

advised that the case study was divided into four categories: resource identification, technical identification, philosophical approach, and managerial approach. Mr. Godfrey stated that when dealing with an issue such as managing water, it is difficult because there are so many uncertainties. He explained the criteria used to compare alternatives.

Three initial case scenarios were reviewed in order to “get a feel for Payson’s situation”, as follows: Case #1 is based on no new growth; Case #2 is based on building at 250 units per year with no additional water; and, Case #3 is based on building at 250 units per year and using the Tower Well. Mr. Godfrey stated, “We took all of the variables, built a spreadsheet and wrote an equation of how the variables relate to one another.” He then reviewed a spreadsheet which showed 40 variables. Variables were grouped to address the issues of population, water available from wells under the Town of Payson, financial options, and contracting arrangements. He demonstrated how the spreadsheet can be used to determine such values as changing the figures for various case scenarios. The column headings on the first spreadsheet being referred were as follows: Available Water Supply, Water Delivery, Percent Safe Yield, Water Overdraft, Water Left in Aquifer, Cumulative Capital Cost, Trust Value, and the individual capital costs for National Forest Wells, Payson Deep Well, Tonto Creek Diversion, Blue Ridge Pipeline, Golf Course Water, and Blue Ridge Dam.

Mr. Godfrey advised that the data constantly changes because new data is being received on a daily basis.

The next slide addressed three possible “new water” options, as follows: 1) repatriate effluent water from golf courses, 2) drill well fields in the national forest, or 3) pipe surface water from Blue Ridge. If option #1 were used, it would have the shortest lead time – about 3 years – but the cost would be high. If option #2 were used it would have a long lead time due to permitting requirements and the politics; however, it would be the lowest cost. If option #3 were used it would be the highest cost and there would be a long lead time

due to engineering, construction, permitting requirements and politics; however, it would provide high quality water.

The next slide addressed the approach used by the Task Force to answer the following questions: What are the options? How much will they cost? Can we pay for them?

Mr. Godfrey then introduced four more options as examples of the types of things which might be considered, as follows: Case #4 – golf course plus national forest; Case #5 national forest; Case #6 Blue Ridge (early); and Case #7 national forest plus Blue Ridge (late). He then referred back to the spreadsheet and input different figures onto the spreadsheet to demonstrate the results for each of the cases. The approximate cost for each option is as follows: Case #4 = \$32M; Case #5 = \$11M; Case #6 = \$108M; and, Case #7 = \$59M.

Mr. Godfrey stated that once the costs are determined, the next step in the process is to decide how to fund the chosen project or series of projects. Since the need for additional water accrues to new construction, one option is to fund the associated water projects via charging developers per unit impact fees. Some examples for other Arizona cities are as follows: Eager at \$55,024; Prescott at \$16,052; Cave Creek at \$13,563; Gilbert at \$13,385; Peoria at \$13,189; Marana at \$12,260; and, Gateway Black Canyon at \$10,844. Mr. Godfrey input various potential impact fees into onto the spreadsheet for case numbers 4 through 7.

Fernando Shipley, a resident of Globe and City Councilman, asked what the amounts meant. He stated, “Is that per unit, per house or per what?” Mr. Godfrey replied that the amounts are per water meter.

Mr. Godfrey provided several more examples by changing the variables on the spreadsheet. At the conclusion of the presentation, Mr. Godfrey stated that there is a water problem; doing nothing is untenable; there are engineering options; political decisions are hard; and, having no plan adds to cost.

Vice-Chairman Martin stated, “This is a marvelous ‘what if’ spreadsheet.” She and Mr. Godfrey entered into a discussion whether one or

more options were favored over all of the other options and whether the costs were accurate. Mr. Godfrey reiterated that the Task Force is comprised of many professionals, who have many years of experience in various fields, so the costs, etc. are accurate. Mr. Godfrey advised that the Task Force intends to put a spreadsheet on a computer disk within the next month and it will be available to the public. The spreadsheet can be used by anyone by inserting different figures onto the spreadsheet to determine and compare the results of various options.

Supervisor Dawson and Mr. Godfrey entered into a discussion regarding the Tower Well, which is owned by the Town of Payson and is located in Star Valley, and whether pumping that well will have a negative impact on other wells in Star Valley. She expressed a concern there would not be enough water for the residents of the Town of Star Valley. Mr. Godfrey estimates there will be available water for Star Valley residents; however, until the Tower Well is in operation, he stated that no one knows for certain.

Dan Adams, a resident of Payson, commented on the problems he believes exist between the Town of Star Valley and the Town of Payson and the reason a contract regarding present and future water issues has not been entered into by either party. He also stated that if more water becomes available, whether it is from Blue Ridge or another source, it will affect many surrounding communities, not just Star Valley and Payson. He said that it is very important for all local governing entities at this time to develop a financial plan to pay for the infrastructure to transport the water from one location to another for those communities wanting and needing more water, regardless of which option is chosen.

Chairman Sanchez advised that the Board of Supervisors and other local governmental entities have expended substantial amounts of money in past years conducting water studies; however, he believes that very little progress has been made because the groups have not jointly established a common goal or plan of action. He was optimistic that this could be the time for the various groups to work together. Chairman Sanchez thanked Mr. Godfrey for the

presentation and he also thanked everyone for their comments. Mr. Besich and the audience applauded Mr. Godfrey for the excellent presentation.

Dave Fletcher, Health and Community Services Division Director, requested the approval of an Intergovernmental Agreement (IGA) between Navajo County and Gila County to receive a half FTE (full time equivalent) employee for case management of dislocated workers primarily in northern Navajo County including the Hopi Reservation at a cost of \$14,600 for the period January 1, 2007, through June 30, 2007. He stated that REPAC (Re-employment and Pre-Layoff Assistance Center) is a consortium of 8 counties and 19 tribes and REPAC provides services in Navajo County and the Hopi Reservation. This position will be a shared position between Gila County and Navajo County to provide dislocated worker services out of REPAC's office located in Winslow, Arizona. He stated that the cost will not exceed \$14,600 and it is 100% grant funded so it will not impact the County's general fund. Upon motion by Vice-Chairman Martin, seconded by Supervisor Dawson, the Board unanimously approved the IGA with Navajo County at a cost of \$14,600 for the period January 1, 2007, through June 30, 2007.

On behalf of Sheriff John Armer, Claudia DalMolin, Chief Administrative Officer for the Sheriff's Office, requested the approval of an IGA between the Arizona Department of Public Safety and the Gila County Sheriff's Office to participate in a joint DUI (driving while under the influence) Enforcement Program. She stated that this is a joint law enforcement effort that will be directed toward intoxicated drivers. Upon motion by Supervisor Dawson, seconded by Vice-Chairman Martin, the Board unanimously approved the IGA with the Arizona Department of Public Safety to participate in a joint DUI Enforcement Program.

Steve Besich, County Manager/Clerk, requested the adoption of Resolution No. 07-01-04 adopting a Comprehensive Affordable Housing Plan and designating an Affordable Housing Priority Area in Gila County. He stated that this Resolution, if adopted, declares an affordable housing priority area within a specific area of Gila County. The term "affordable rental housing" in

the Resolution refers to rental housing where at least 50% of the units are built partially with funds that are derived from an allocation of tax credits pursuant to the Internal Revenue Code and other programs with at least restrictive income and rent limitations. The project will be known as the Skyline Affordable Housing Priority Area. The property is comprised of +/- 26.6 acres of vacant land bounded by Saguaro Drive, Skyline Drive and Ocotillo Drive. He stated that the applicants have agreed to commit to follow all of the basic building and safety codes that apply in Gila County and all of the conditions that are deemed appropriate by the Gila County Planning and Zoning Commission and the Board of Supervisors. He then introduced Clay McReynolds, Development Consultant for The Pacific Companies of Nampa, Idaho. Mr. McReynolds passed out informational packets to the Board and then gave a PowerPoint presentation. He stated that The Pacific Companies is proposing to develop and construct what is tentatively being called Madeira Peak Seniors Housing Development. He stated that the company's website is located at <http://www.tpchousing.com> and he encouraged anyone that is interested to go to the website for more information about the company and its other existing developments, references, etc. Mr. McReynolds gave an overview of The Pacific Companies, which specializes in public/private partnerships in the development of senior workforce housing. He stated that the proposed project in Gila County will provide 60 units for senior independent living on approximately 10 acres of the 26-acre parcel. There will be 48 1-bedroom units in 8-plex buildings and 12 2-bedroom units in 4-plex buildings and all of the buildings will be single-story buildings. Included will be a 2,500 sq. ft. community building consisting of rooms for an office, maintenance, media, computer lab, meeting room, kitchen facility, exercise and laundry room. The site will also have a community gardening area with raised planting beds that will be handicapped accessible, a swimming pool, an appealing exterior and desert landscaping. He briefly explained how the housing tax credit program works in that the private sector partners with municipalities in the development of housing with the rent kept down to levels that are determined

to be affordable based upon the actual incomes in the communities that the housing serves. In agreeing to keep the rent down, the State has federal tax credits that can be allocated for 10 years to the development to defray the cost of building the units. Mr. McReynolds showed an aerial photo of the subject parcel, which is located at the head of the canyon area between Saguaro, Skyline and Ocotillo Drives within Gila County with the City of Globe boundaries on 3 sides. He stated that the proposed project is accessible via Saguaro Drive and it will generate very little traffic because it is a senior citizen housing area. Vice-Chairman Martin inquired about handling any water runoff. Mr. McReynolds stated that would be an engineering question, but there would be retention and control flows so water would flow off at historical rates although it doesn't appear to be carrying a great deal of water and it is not located in a floodplain. He stated that the properties would always remain as rentals with a deed restricting the property for approximately 50 years with the Arizona Department of Housing (ADOH). Vice-Chairman Martin inquired as to the age requirements. Mr. McReynolds stated that the senior age requirement for all members of the household would be 62. Chairman Sanchez inquired about restrictions such as pets. Mr. McReynolds stated that only small pets such as dogs and cats would be allowed or a support-type animal such as a seeing-eye dog or an emotional support pet. He stated that there are situations when grandparents are raising their grandchildren; however, that is not an area his company would be addressing in this development project as it is strictly designed to be residential housing for senior citizens. Mr. Besich inquired if this application for development is competitively awarded, or if the company would receive tax credits. Mr. McReynolds replied that the application will be submitted on March 15, 2007, to the ADOH and he stated that it is a highly competitive process between communities, developers and developments. He advised that the ADOH will award the project funding based on a point system and he explained how various points are earned or lost. He showed photographs of the various projects The Pacific Companies has completed in other states. He presented information showing the projected

economic benefits for the area which include the following: 1) a \$7 million investment in Gila County; 2) nearly \$4.5 million in construction activity; 3) the payment of local impact and permit fees; 4) new housing for senior households; 5) proximity to services means less traffic; 6) improves the quality of senior housing stock; and, 7) raises standards. Vice-Chairman Martin inquired if any type of assisted care would be provided for these senior residents. Mr. McReynolds stated that his company is not qualified to provide assisted care. This would be an independent living facility, although a caregiver could reside there if a doctor declared the need for a resident to have that care. Chairman Sanchez called on Bob Gould, Community Development Division Director, to address Vice-Chairman Martin's inquiry about how this proposed development fits in with Gila County's Comprehensive Master Plan. Mr. Besich clarified that the Resolution contains language which states that this requested designation in no way commits the Board of Supervisors to any type of zoning change, etc. at this point. Mr. Gould stated that the County's Comprehensive Master Plan has identified this area for up to 10 units per acre and this development is proposed to have 6 units per acre, so that would not be a problem. He stated that the County is currently reviewing a rezoning request submitted by the property owner and a hearing before the Planning and Zoning Commission is scheduled for February 15th. The rezoning request will then be presented to the Board for approval approximately two weeks after the Planning and Zoning Commission hearing. Vice-Chairman Martin inquired about the process to notify surrounding property owners and if this development would have an adverse affect on their property values. Mr. Gould stated that the County zoning process requires that notification be provided to all surrounding property owners. There is also a requirement for the developer to hold a hearing with the property owners without County involvement, which has been scheduled for February 24, 2007, to address all concerns. Mr. McReynolds addressed the issue of land values by stating that studies have been conducted in which it was found that property values trend up as opposed to down and he offered to provide those study results to the Board.

Supervisor Dawson stated that she would be recusing herself from this motion as her brother-in-law, Mark Shellenberger, owns a portion of the land. Vice-Chairman Martin clarified that by the Board adopting this Resolution, it is voting for the “concept” of affordable housing in this area. Chairman Sanchez called on Floyd Krank, a resident of Globe, to speak. Mr. Krank briefly spoke about his experience with The Pacific Companies beginning in 2003. He advised that he has contacted many references provided by The Pacific Companies, and all of the towns and cities that he contacted offered very positive comments regarding this company. He recommended that the Board adopt this Resolution. Chairman Sanchez inquired of Mr. Krank about his interest in this project and if he was part owner. Mr. Krank stated that he was part owner and would be working with Mr. Shellenberger to develop the remainder of the property for housing sites of low density and high quality. Vice-Chairman Martin thanked Mr. Krank for his comments. Upon motion by Vice-Chairman Martin, seconded by Chairman Sanchez, the Board adopted Resolution No. 07-01-04 by a 2-0 vote. Supervisor Dawson abstained from voting. **(A copy of the Resolution is permanently on file in the Board of Supervisors’ Office.)**

Marian Sheppard, Chief Deputy Clerk, addressed agenda item number 6. She advised that in 2005 the Board adopted Disclosure of Conflicts of Interest Policy No. BOS-4-2005, which applies to all departments and elected offices within the County. She read aloud Section 3 of the Policy, which states that each elected official and department head shall develop and implement a departmental procedure requiring employees to give notice of potential conflicts of interest. Section 3 also states that the Chief Deputy Clerk of the Board will issue a reminder during the first meeting of the Board in January to each elected official and division director to remind them to communicate this policy to their employees. Ms. Sheppard stated that she would be e-mailing the policy to all elected officials and department heads later today. No Board action was required.

Upon motion by Supervisor Dawson, seconded by Vice-Chairman Martin, the Board unanimously approved Consent Agenda item numbers 7A-F, as follows:

- A. Approval of a request submitted by the Gila Hoppers 4-H Club to waive fees for the use of the Fairgrounds Exhibit Hall on March 17, 2007, for the Gila Hoppers 4-H rabbit show.
- B. Approval of 2 Special Event Liquor License Applications submitted by the Gila County Rodeo Committee to provide liquor for the following events: January 24, 2007, for a wedding reception and April 28-29, 2007, for the Gila County Rodeo.
- C. Approval of the December 12, 2006, December 19, 2006, January 2, 2007, and January 9, 2007, BOS meeting minutes.
- D. Approval of the December 2006 monthly departmental activity report submitted by the Globe Regional Justice of the Peace.
- E. Approval of the personnel reports/actions for the week of January 22, 2007, as follows:

Departure from County Service:

- 1. Property Appraiser II Senior – Assessor – 01-19-07 – General Fund - Irene Mata – Hire 12-27-94 – Resigned for other employment
- 2. Courtroom Clerk – Clerk of Superior Court – 01-11-07 – General Fund - Kimberly Galindo – Hire 10-30-06 – Failure to complete probationary period
- 3. Vehicle & Equipment Mechanic – Globe Shop – 01-15-07 – Auto Equipment Fund – Kenneth Dalley – Hire 12-14-92 – Retirement

Hire to County Service:

- 4. Solid Waste Operations Worker – Solid Waste Management – 01-22-07 – Enterprise Fund – Brent Landers – Replaces Robert Cotton
- 5. Road Maintenance/Equipment Operator – Public Works – 01-24-07 – Roads Fund - Richard Blizzard – Replaces David Slaughter
- 6. Road Maintenance/Equipment Operator – Public Works – 01-24-07 – Roads Fund - Robert Amburgey – Replaces Raymond Luckie

Temporary Hire:

7. Account Clerk Specialist – Clerk of Superior Court – 01-16-07 – General Fund - Linda Shirley
8. Supervisor Staff Specialist – Board of Supervisors – 01-09-07 – General Fund - Terry Dalton

End Probationary Period:

9. Accounting Clerk Specialist – Solid Waste Management – 01-22-07 – Enterprise Fund – Claudia Brooks
10. Public Works Road Supervisor – Consolidated Roads – 01-24-07 – Roads Fund - Richard Short

Position Review:

11. Increase salary – Judge Pro Tempore – Globe Justice Court – 01-29-07 – General Fund – Rebecca Baeza – increase to coincide with Superior Court judges’ increases

SHERIFF’S PERSONNEL ACTION ITEMS

Departmental Transfer:

12. Deputy Sheriff Cadet to Deputy Sheriff – Payson S.O. – 01-12-07 – General Fund - Pete Licavoli – Graduated from academy 01-12-07 – Replaces John France

F. Approval of the finance reports/demands/transfers for the week of January 22, 2007, (separate handout) as follows:

\$131,569.00 was disbursed for County expenses by voucher numbers X154751, X154754 through X154848 and X397708 through X397867. The hand-issued warrants listing is as follows: voucher number X397482 in the amount of \$5,840.18; voucher number X154752 in the amount of \$160.00; voucher number X397483 in the amount of \$4,410.00; voucher number X397484 in the amount of \$70,000.00; voucher number X397485 in the amount of \$93,324.54; voucher number X397486 in the amount of \$148.20; and, voucher number X154753 in the amount of \$150.00. **(An itemized list of vouchers is permanently on file with the Board of Supervisors.)**

At this time each Board member and the Chief Administrator were presented the opportunity to give a brief summary of current events as allowed by A.R.S. §38-431.02(K). No action was taken by the Board.

There being no further business to come before the Board of Supervisors, Chairman Sanchez adjourned the meeting at 12:26 p.m.

Jose M. Sanchez, Chairman

ATTEST:

Steven L. Besich, County Manager/Clerk