

**BOARD OF SUPERVISORS MINUTES
GILA COUNTY, ARIZONA**

Date: December 28, 2007

JOSÉ M. SANCHEZ
Chairman

STEVEN L. BESICH
Clerk of the Board

TOMMIE C. MARTIN
Vice-Chairman

By: Marilyn Brewer
Deputy Clerk

SHIRLEY L. DAWSON
Member

Gila County Courthouse
Globe, Arizona

PRESENT: Jose M. Sanchez, Chairman; Tommie C. Martin, Vice-Chairman (via telephone conference call); Shirley L. Dawson, Member; Steve Besich, County Manager/Clerk; and, Jefferson R. Dalton, Deputy County Attorney.

Item 1 – Call to Order – Pledge of Allegiance

The Gila County Board of Supervisors met in Special Session at 10:00 a.m. this date. Supervisor Dawson led the Pledge of Allegiance and Dixie Mundy delivered the Invocation.

Item 2 - Public Hearing - Information/Discussion/Action to:

- A. Receive a report from the Assessor’s Office with regard to verification of petitions pertaining to the establishment of the proposed Claypool-Lower Miami Street Lighting Improvement District;**
 - B. Accept a Certificate of Verification from the Assessor’s Office pertaining to the establishment of the proposed Claypool-Lower Miami Street Lighting Improvement District;**
- and, if the statutory requirements have been met for said establishment of the proposed Claypool-Lower Miami Street Lighting Improvement District, then**
- C. Adopt the Order to establish and organize the Claypool-Lower Miami Street Lighting Improvement District.**

Steve Besich, County Manager/Clerk, presented this agenda item and clarified the reason this particular meeting was being held on Friday, December 28th. He stated that given his past experience with street lighting improvement districts (SLID), once the petitions are officially submitted to the Clerk of the Board of Supervisors, the Board has 40 days to conduct a public hearing and receive public comments on whether or not this district should be established and to determine whether the required number of signatures were gathered for the formation of said district. Mr. Besich stated: “Since Sunday, December 30,

2007, is the 40th day, we waited in order to give the people involved up until the last business day, which is today, to work on this project as some of you who have worked on this project well know that this has been a long process.” He then called on Dixie Mundy, Elections Director, and Larry Huffer, Chief Appraiser for the Assessor’s Office, to walk the Board through the process to enable the Board to consider the adoption of the Order to establish and organize the Claypool-Lower Miami SLID. Ms. Mundy explained the statutory requirements on a public hearing for the formation of a county improvement district, which includes the publication of the notice of the hearing in the newspaper of general circulation within the district no less than 10 days prior to today’s meeting. The first notice was published on December 12th and the second notice was on December 19th, 2007. Another requirement in noticing the hearing is the mailing of a public notice to the property owners within the district, which must be done 20 days prior to the hearing. These notices were mailed out on November 29, 2007, or 29 days prior. Ms. Mundy advised that 779 notices were mailed and the labels and lists of mailings were provided by the Assessor’s Office. Upon inquiry by Superior Dawson, Ms. Mundy stated that the cost of the mailing is initially paid by the County. In the event that the district is not organized, a \$500 bond has been submitted by the petitioners to cover any costs incurred by the County. If the district is organized, there will then be a tax base and the costs incurred by the County will eventually be recovered via the tax base. Chairman Sanchez called on Mr. Huffer to speak. Mr. Huffer presented the Board with a Certificate of Verification of owners of property within the limits of the proposed Claypool-Lower Miami SLID who signed the petitions based on A.R.S. §48-903A, which states the following: “A petition addressed to the Board of Supervisors requesting the establishment of an improvement district may be filed with the Clerk of the Board if signed by the majority of the owners of the person’s own real property or by the owners of 51% or more of the real property within the limits of the proposed district.” Mr. Huffer then gave the following results of the petitions submitted: The owners of real property within the limits of the proposed district who signed a petition were not a majority of the owners as only 39.43% (375 out of 951) signed. However, the owners of more than 51% of the real property, 58.16% (262.04 acres out of 450.45 acres) within the limits of the proposed district signed the petition, so it did meet the statutory requirements. Upon motion by Supervisor Dawson, seconded by Vice-Chairman Martin, the Board unanimously accepted the Certificate of Verification from the Assessor’s Office pertaining to the establishment of the proposed Claypool-Lower Miami SLID. At this time, Chairman Sanchez opened the public hearing portion of the meeting. Mary Stemm, John Stemm and David Rice, residents of Miami, spoke in favor of the SLID. Mitch Malkovich, a resident of Claypool, also spoke in favor. John Striker, a resident of Claypool, spoke against the formation of the SLID. Chairman Sanchez closed the public hearing portion of the meeting. He then provided information on how this SLID began. Supervisor Dawson also noted for the record that one written response against the formation was received by the Board. Each Board member expressed appreciation to those who worked

on getting the SLID established. Upon motion by Vice-Chairman Martin, seconded by Supervisor Dawson, the Board unanimously adopted the Order to establish and organize the Claypool-Lower Miami Street Lighting Improvement District.

Item 3 - Public Hearing - Information/Discussion/Action to:

- A. Receive a report from the Assessor's Office with regard to verification of petitions pertaining to the establishment of the proposed Central Heights-Country Club-Midland City Street Lighting Improvement District;**
- B. Accept a Certificate of Verification from the Assessor's Office pertaining to the establishment of the proposed Central Heights-Country Club-Midland City Street Lighting Improvement District; and, if the statutory requirements have been met for said establishment of the proposed Central Heights-Country Club-Midland City Street Lighting Improvement District, then**
- C. Adopt the Order to establish and organize the Central Heights-Country Club-Midland City Street Lighting Improvement District.**

Mr. Besich presented this agenda item and explained that Arizona Public Service (APS) has been working with the citizens groups for this proposed SLID and the Claypool-Lower Miami Street Lighting Improvement District (newly adopted by the Board in the previous agenda item) as APS is the service provider for both areas. The APS engineering crew will determine the placement of the lights including the quality of the lights, cost estimates, and the actual work to be performed for both SLIDs. Those costs and the costs of operating the lights will comprise the annual budget of which an annual budget request will be presented to the Board of Supervisors, which will act as the Board of Directors of the SLID. All taxpayers residing within the SLID will receive an annual notice from APS as to the costs estimated for the year to maintain the SLID. On the third Monday in August, the Board of Supervisors will adopt the County budget and set the tax rate that will cover the amount of the estimated costs for this SLID based on APS's annual experience. Chairman Sanchez opened the public hearing portion of the meeting and called on Bill Marshall, APS Area Manager. Mr. Marshall explained that the Share the Light Program was enacted in 1950 to bring rural lighting to the unincorporated areas of Arizona. In the 1980s that tariff was removed and APS was advised that it could no longer maintain those lights other than bulb or photo eye replacements. APS has just completed an audit and there are approximately 100 lights that have been removed from those areas and approximately another 150 that need to be replaced. The cost of replacing all of the poles and light fixtures that have been removed, and replacing all of the light fixtures with high pressure sodium bulbs that meet the current environmental standards and dark sky ordinances, will be absorbed by APS with no cost to the taxpayers as that is part of the tariff as it was rewritten into the form of SLIDs. The only cost to the taxpayers will be an annual secondary revenue tax for the cost of

APS maintaining those lights. The cost to the taxpayers will be approximately the same as it was on the consumers' electric bills. The only change is that the cost will now appear on the taxpayers secondary tax levy bills. Chairman Sanchez noted that two written comments in favor of the SLID were received by the Board. Chairman Sanchez called on Mr. Huffer to speak. Mr. Huffer presented the Board with a Certificate of Verification of owners of property within the limits of the proposed Central Heights-Country Club-Midland City SLID who signed the petitions based on A.R.S. §48-903A, as noted in the previous agenda item. Mr. Huffer then gave the following results of the petitions submitted: The owners of real property within the limits of the proposed district who signed a petition were not a majority of the owners as only 45.84% (568 out of 1,239) signed. However, the owners of more than 51% of the real property, 52.67% (161.75 acres out of 307.12 acres) within the limits of the proposed district signed the petition so it did meet the statutory requirements. Upon motion by Supervisor Dawson, seconded by Vice-Chairman Martin, the Board unanimously accepted the Certificate of Verification from the Assessor's Office pertaining to the establishment of the proposed Central Heights-Country-Club-Midland City SLID. Chairman Sanchez then continued with the public hearing portion of the meeting and called on Debora Savage, a resident of Central Heights, who spoke in favor of the proposed SLID. No other comments were received. Chairman Sanchez closed the public hearing portion of the meeting. The Board thanked all those who worked on the formation of this district. Upon motion by Vice-Chairman Martin, seconded by Supervisor Dawson, the Board unanimously adopted the Order to establish and organize the Central Heights-County Club-Midland City Street Lighting Improvement District.

Item 4 - Information/Discussion/Action to order a review of the proposed merger of the Diamond Star and Tonto Village Fire Districts and to direct the Clerk of the Board of Supervisors to submit in writing to each fire district the comments of the Board of Supervisors no later than 5:00 p.m. on December 28, 2007. (Dixie Mundy)

Dixie Mundy, Elections Director, presented this agenda item. She stated that on December 19, 2007, Gila County received written documentation regarding the proposed merger of the Diamond Star Fire District (DSFD) and the Tonto Village Fire District (TVFD), which was provided to the Board. The 10 days allowed for the Chairman to order a review of the proposed merger, which expires tomorrow, Saturday, December 29, 2007, so this would be the last working opportunity to have the information reviewed and comments documented by the Board. Chairman Sanchez stated that it is important for the Board to acknowledge that resolutions were submitted to the Board by each fire district in support of the proposed merger. Both resolutions call for public hearings to be held on January 9, 2008, at each respective fire district. Vice-Chairman Martin stated that she has personally been encouraging all of the fire districts to consider the feasibility of combining resources in order to

better serve the fire districts. She acknowledged that the Board received the resolutions and stated that she supports these types of consolidations and mergers. Chairman Sanchez agreed with Vice-Chairman Martin and he advised that at the fire district meetings he's attended, this topic of discussion has been ongoing for quite some time. He also spoke about the support the various fire districts provide to one another, even when written agreements aren't in place, by operating beyond the politics and boundaries of the fire districts. Vice-Chairman Martin explained that upon the loss of the Tonto Village fire chief a year ago, the TVFD contracted with the DSFD, which stepped up and supported TVFD by providing additional training and updated equipment to improve the level of service through the sharing of the resources of the two districts. She strongly encourages both districts to take that next step and consolidate. Chairman Sanchez called on DSFD Chief Gary Hatch, who stated that he was present to answer any questions of the Board. He provided a brief update on the improvements already completed as well as proposed improvements to the TVFD. He advised that the name for the proposed new fire district will be Hellsgate Fire District, which is named after the Hellsgate Wilderness Area. Chairman Sanchez stated that the direction to be given to the Clerk of the Board would be to notify both districts that the Board is in favor of this merger and that both resolutions have been reviewed. Upon motion by Supervisor Dawson, seconded by Vice-Chairman Martin, the Board unanimously reviewed the proposed merger of the DSFD and the TVFD and directed the Clerk of the Board to submit in writing to each fire district the Board's comments of support and encouragement for the proposed merger to create the Hellsgate Fire District. Vice-Chairman Martin stated that she plans to attend both fire district public hearings and requested that public notices be posted if other Board members would also be attending.

There being no further business to come before the Board of Supervisors, Chairman Sanchez adjourned the meeting at 11:00 a.m.

APPROVED:

Jose M. Sanchez, Chairman

ATTEST:

Steven L. Besich, County Manager/Clerk