

**MINUTES OF THE UTILITIES BOARD MEETING
OF THE
TOWN OF EAGAR, ARIZONA
January 7, 2008**

BOARD MEMBERS PRESENT Elwin Browning, Public Works Administrator
Milt Nelson, Water Utility and Wastewater Department
Rick Pinckard, Finance Administrator
Dennis Bigelow, Citizen Member
~~Eva Wilson, Town Clerk~~

GUEST Bruce Ray, Director of Community Development
KIM HOLAWAY, CITIZEN

STAFF EVA WILSON

1. CALL TO ORDER

Dennis Bigelow called the meeting of the Utilities Board to order at 12:08 p.m.

2. CALL TO THE PUBLIC

Pursuant to public notice of the meeting, there was a call to the public.

3. REVIEW OF MINUTES OF PREVIOUS MEETING

1. Approval of the August Minutes of the Utilities Board

Rick Pinckard moved to approve the minutes of November 2007. Seconded by Elwin Browning; all were in favor, motion carried.

4. REPORTS

A. WATER DEPARTMENT REPORT

1. Current Projects and Estimated Costs

There are no current water projects taking place other than the Community Development Block Grant (CDBG) – Butler Street Project. This is a grant of \$250,000 to replace the water line from 4th Avenue to 8th Street. The Project is currently stopped at Central Avenue due to ADOT permit processes.

2. Projected Projects and Estimated Costs

Rick Pinckard reported that he is working on the WIFA Loans which will fund \$960,000 worth of future projects to include the water lines for the Kennedy Well, four (4) water line replacements, and the drilling of one (1) well within three years.

B. WASTEWATER DEPARTMENT REPORT

1. Discussion and Consideration of Wastewater Rates for Multiple Housing Units

The proposal is to charge Residential Water Users a flat rate of \$5.00 per unit per month (apartments, condominiums, duplexes and triplexes, townhouses, mobile home parks).

Residential-Seasonal, Water Users a flat rate of \$2.50 per unit per month (motels, hotels, RV parks).

Three classes of Commercial Water Users:

- Churches, government, medical, office, retail, schools - \$1.50 per 1,000 gallons water used,
- Auto repair, barbershops/beauty salons, car wash, convenience stores, service stations - \$2.25 per 1,000 gallons water used,
- Grocery stores, Laundromats - \$2.50 per 1,000 gallons water used,
- Restaurants - \$3.00 per 1,000 gallons water used.

There is still a matter of whether to charge additional for turn on and turn off of service fees to be proposed.

Rick Pinckard said he will provide the base rate that these categories are currently paying at the next Eagar Utilities Board meeting.

2. Discussion and Consideration of Solar Bee Warranties

Milt Nelson reported that the warranties on the Solar Bee aerators at the sewer ponds expire February 2008. The cost to renew the warranties will be \$11,000 per year. The units are now five years old.

Mr. Nelson added that when the units are serviced the Solar Bee Company also conducts PH testing and sludge testing. Mr. Nelson said that the only problem he has had with the units is the brushes getting dusty and need cleaning. He believes that he could service the units himself, if he had a small boat.

Mr. Nelson will bring this issue up at the next staff meeting to determine if any other action is needed and he will make a recommendation to the Council. It was asked if the Town was to let the warranties lapse and the Town track the costs of repairs for a year, would Solar Bee allow the Town to renew warranties.

3. Current Projects and Estimated Costs

No current projects are being performed.

4. Projected Projects and Estimated Costs

No projected projects to report on.

C. PUBLIC WORKS / ADMINISTRATIVE FACILITY REPORT

1. Main Street Project – Town vs. Contractor Financial Impact and Comparison

Rick Pinckard reported that the Town expended \$1,106,000 for the Main Street Project; of that \$567,000 was in materials. Of the \$1.1 million \$183,000 in HURF Exchange Grant monies were received from Springerville as they did not have projects to complete, \$550,000 was Eagar’s share of the HURF Exchange Grant, and the Town expended \$373,000 out of the General Fund.

The only bid received from outside contractors was in 2004 and the amount was \$1,177,000. During the time the bid was received and the project was completed oil prices had seen a 2.6% ratio increase, this would have added another \$250,000 to the original bid by the time the project was completed.

By completing this project in-house, the Town was able to complete the project under the bid amount, kept the dollars local as far as the labor, equipment, gas and other costs; any contractor that would have received this project would have been from out of the area.

To give another example of a road construction project costs, the Town’s Main Street Project was a total of 1.1 miles, and five traffic lanes wide, completed for \$1,106,000. The Town of Springerville recently contracted out 1400 feet, two lanes of traffic for \$550,000 and the project has lasted longer than Eagar’s Main Street Project for the same area paved. By also keeping the project in-house citizens had local officials to voice their concerns to and get results. The fact that water and sewer lines were replaced throughout the entire project are not factored into this cost comparison.

2. Discussion and Consideration of the Golf Course Roads and Drainage

Elwin Browning reported that he is still researching this issue.

D. OTHER DEPARTMENT REPORTS

1. Discussion and Consideration of Kim Holaway’s Resignation and Replacement of the Seat Left Vacant

Members discussed the prospect of leaving the seat vacant until after the Primary Election and then to take a recommendation to the Council.

5. NEXT MEETING

Next meeting will be held on Monday, February 4, at 12:00 p.m.

6. ADJOURNMENT