



**“The mission of the City of Safford is to make Safford  
a great place to live, work, and visit”**

**CITY OF SAFFORD  
COUNCIL MEETING MINUTES  
Monday, September 8, 2014 @ 6:00 PM  
Safford Library Program Room, 808 S. 7<sup>th</sup> Avenue, Safford, Arizona**

**PRESENT:** Wyn “Chris” Gibbs, Mayor; Mary Bingham, Vice Mayor; Council Member’s Gene Seale, Arnold A. Lopez, Kenneth Malloque, Richard Ortega and James D. Howes.

**STAFF PRESENT:** Horatio Skeete, City Manager; Sandy Findley, Executive Assistant; Joe Brugman, Chief of Police; Randy Petty, City Engineer; Dustin Welker, Planning and Community Development Director; Christine Fisher, Human Resources Director; Eric Buckley, Utilities Director; Jenny Howard, Public Works Director; LeAnne McElroy, Library Director; and Georgia Luster, City Clerk. Dale Clark assisted with the audio/video recording of the meeting.

**OTHERS PRESENT:** Steve McGaughey, Sam Napier, Michael Faunce, Chad Hogle, John Neal, and others who did not sign in. Kelly Van Shaar video recorded the meeting.

1. **WELCOME AND CALL TO ORDER:** Mayor Gibbs called the meeting to order at 6:00:33 p.m.
2. **ROLL CALL:** A quorum of the Council was present (7).
3. **PLEDGE OF ALLEGIANCE TO THE FLAG:** Mayor Gibbs led the Pledge of Allegiance to the Flag.
4. **OPENING PRAYER:** Pastor John Neal offered the opening prayer.
5. **CITIZEN COMMENTS ON AGENDA ITEMS:** NONE
6. **NEW/OLD BUSINESS:**

1. **Power Point Presentation providing the City Council an update on the status of the Landfill Study and to receive direction on the various alternatives being considered by staff to address the issues identified in Phase 2 of the Study.** (Presentation attached)

Randy Petty, City Engineer, presented the status of and an update on the status of the Graham County Regional Landfill study. The City of Safford has operated the landfill since 2005. The last ADEQ permit was done in 2008 that included change to method of

daily cover. The new weigh scale was installed starting in 2010 and staff recognized projections and life expectancy of the landfill needed to be updated. Earlier this year, the City hired Kimley-Horn/Stantec to review the waste tonnage of the landfill from 2009 to 2013 and to determine available "airspace", acquire life expectancy projections, and closure costs at the landfill. The projected life of the Landfill is about eight (8) years and the landfill needs to be updated. He explained the Study Scope for the Landfill.

- Collect Data from City of Safford and ADEQ on disposal
- New aerial flight of Landfill to capture existing elevation
- Make new waste projections, assess capacity, estimate site life
- Closure and post closure monitoring financial outlook
- Generate alternatives for landfill expansion and present costs

Scott Altheer of Kimley Horn and Chuck Williams of Stantec were introduced at this time. Mr. Altheer, Project Manager, explained the projected annual disposal is projected out to thirty (30) years as predicted by the Arizona Department of Administration. He stated population growth for Safford is expected to grow 1.5% over the next 30 years. The current Landfill will run out of space in 2022 (eight years from today) according to projections they have. A new aerial was complete of the Landfill that provides existing elevation or the existing footprint. It also calculates air space remaining under the current ADEQ permit. He pointed out that the City of Safford has exceeded industry standards for compaction. Additionally, he provided information about the preferred alternatives, Lifespan, & cost impacts. He noted horizontal (laterally) expansion was not explored because of the cost to permit and construct a new landfill could exceed \$500,000 per acre. However, multiple alternatives were explored for vertical expansion. Alternative 3B is recommend which is a vertical expansion of Areas A, B-1, B-2, and C which expands the existing permitted landfill elevation by four (4) feet while also increasing front and side slopes to attain additional airspace. Alternative 3B optimizes the exact number of years to provide capacity for the next thirty (30) years. Alternative B basically raises the existing permitted landfill to an elevation of 3062. The current permit allows an elevation of 3058 in the center of the landfill mildly sloping to the edges. (20-24 feet on the exterior with the center raising approximately four feet). Alternative B will provide an additional 30 years of site life and actual cost is the permitting cost (Phased drainage improvements and potential for monitoring). Also, there may be the potential that ADEQ may require landfill gas or groundwater monitoring requirements. He turned the time over to Chuck Williams at this time.

Mr. Williams reviewed closure and post-closure of the Landfill. Under the current permit, he explained:

- “closure” includes installation of a 2 foot thick engineered “soil cap”, vegetation, final drainage system, groundwater monitoring and fencing. (closure costs).
- Post closure monitoring includes inspection and maintenance for 30-years of vegetation, gas & groundwater quality, drainage and fencing.
- Facility closure scenarios:
  - 8 years landfill life: Closure cost \$4.9 million, Post- Closure - \$1.8 million
  - 22 year landfill life: Closure cost \$6.2 million, Post-closure - \$2.4 million
  - 30 year landfill life: Closure cost \$7 million, Post-closure \$2.7 million

Secondly, Mr. Williams reviewed the current gate fee which is \$42/ton that covers the cost of operating the landfill and an additional 5% is collected and dedicated to a reserve fund for closure costs. He provided scenario’s implying impacts of charging a gate fee for closure of the Landfill. A collection of five percent (5%) may not be sufficient for closure of the Landfill.

- 8 years landfill life: Gate fee increase \$25/ton; Proposed Gate fee =\$67/ton
- 22 years landfill life: Gate fee increase of 9.00/ton; proposed gate fee \$51/ton
- 30 years landfill life: Gate fee increase of \$6.62/ton; proposed gate fee \$48.62/ton

He pointed out that the City’s gate rates are in line with other counties. He did note that some county’s offer a volume discount and provided a comparison of landfill gate fees of other counties:

Cochise County = \$53.50/ton	Gila County = \$39.41/ton
Greenlee County = \$42/ton	Mohave County = \$34.50/ton
Pima County = \$40.95/ton	Santa Cruz County = \$45/ton
Glendale County = \$32.25/ton	Flagstaff = \$41.92/ton

Mr. Altheer stated they met with ADEQ to review future steps. ADEQ agreed that expansion is probably necessary and agree with their recommended Alternative (vertical expansion) Type IV change. They noted that grandfathered landfills will be scrutinized because of the lack of a liner may require additional gas and groundwater monitoring requirements. ADEQ will charge \$15,000 to review the permit in-house. Submittal can take six to nine months (engineering time, analysis time). A public notice is required with Type IV permits.

At this time, Randy Petty, the City Engineer, explained the next steps require Council direction on approval of the recommended alternative (Alternative 3B); Council approval for staff to develop scope and fee for Type IV permit for recommended Alternative; Prepare Amended Solid Waste Facility Plan and Type IV permit application; Permitting cost can be paid out of Reserve/Closure fund; estimated \$150,000 + \$15,000

(ADEQ fee) + unknown additional monitoring costs. At this time, no increase in rate fee is being recommended.

Mayor Gibbs inquired about possibly going higher than Alternative IV proposal. He also would like to see an analysis beyond the thirty-year period.

Mr. Altheer stated expansion could go higher than the Type IV alternative; however, there will be more scrutiny because you have more waste on an unlined landfill, higher slopes needing protection for drainage.

City Manager Skeete commented that we cannot get caught up into planning too far ahead for what we think is the inevitable solution today. The industry has changed and will continue to change significantly over the years. For example, one of the things that the City of Glendale is exploring today is how to reduce 120,000 tons of garbage a year by 70% and convert into energy. What and how the City of Safford does with 35 tons of garbage annually becomes significant when considering the dynamics of building a new Landfill. He pointed out that staff is asking for direction to proceed with developing a scope for a Type IV Permit; authorization from Council will occur once a Scope is developed.

It was moved by Councilman Ortega, seconded by Councilman Howes, and carried unanimously to direct staff to proceed with requesting from Kimley-Horn a Scope and Fee to obtain, through ADEQ, a revised Solid Waste Facility Plan and to obtain a Type IV Permit for Alternative 3B for the Regional Landfill. **MOTION ADOPTED**

2. **The Engineering Department will update the City Council concerning the Pathway Project, Phase 6 as it relates to the bid and pending award. Staff is recommending the City Council approve this award subject to the City securing additional funds through SEAGO or the use of the City's contingency appropriation to cover the approximate \$30,130 fund in shortfall.** Randy Petty, City Engineer, provided an update concerning Phase 6 of the Pathway Project. He noted bids came in higher than expected. The bids for this project were opened on August 8<sup>th</sup>. There were five bidders who submitted bids. The bids ranged from \$367,968 to \$509,635. ADOT has reviewed the bids and finds the low bid is acceptable. However, along with the low bid price, additional costs of about \$78,009 with includes contract administration-14%; contingencies-5% and project closeout-2.2%, exceed the available amount. There is \$415,848 available for this project, making a shortfall of \$30,130. The City's match on this additional funding would be about \$1,700. Staff has informed ADOT that we concur that this project should be awarded by the Transportation Board on September 12<sup>th</sup>. In addition, the Engineering Department will seek additional STP funding through SEAGO to make up the discrepancy in funding on the 18<sup>th</sup> of September.

City Manager Skeete commented that the expansion of the Pathway is an important project to the City. He believes that if SEAGO does not provide the additional funding, the scope of another budgeted project may be reduced in order to fund the Pathway project.

It was moved by Councilman Seale, seconded by Vice Mayor Bingham, and carried unanimously to approve the award of the Pathway Project, Phase 6 Bid subject to the City securing additional funds through SEAGO or the use of the City's contingency appropriation to cover the approximate \$30,130 fund in shortfall. **MOTION ADOPTED**

3. **This is a request for the City Council to approve the Engineering Department's recommendation to seek additional funding in the amount of \$324,500 through SEAGO to cover the excess cost for the Main Street Improvement/Main Street Traffic Signal Projects.** Randy Petty, City Engineer, stated the request is for the Council to approve the Engineering Department's recommendation to seek additional funding through SEAGO to cover the excess cost for the Main Street Improvement Project/Main Street Traffic Signal Project. Two bids were received and opened on August 15<sup>th</sup> (\$1,484,159.03 and \$1,796,456.05). ADOT has reviewed the bids and finds that the low bid is acceptable. Along with the bid price, additional costs will be necessary to arrive at the total construction cost of \$1,798,801. These costs include Contract Administration (14%), Contingencies (5%), and Project close-out (2.2%). He noted that \$1,474,352 is available for the project, making a shortfall of about \$324,500. If the project is awarded, the City would be responsible for the additional cost. In addition, the Engineering Department will seek additional STP funding through SEAGO to make up the discrepancy in funding on the 18<sup>th</sup> of September. The City's additional match would be about \$18,500.

Mr. Petty reminded the Council that this project was originally bid in April of 2010 without the traffic signals. The bid at that time came in at \$400,000. The available grant funding was about \$200,000 and the City's additional match would have been approximately \$200,000 if awarded. Current funding for this project is \$1,400,000 which includes the traffic signals. The City has expended approximately \$80,000 for the construction match, landscape design, scoping, review fees, documents and design costs making the total cost to the City of approximately \$98,000. He noted that the additional funding may not be available in the future. He provided three options for the City concerning the award of this project. However, he is recommending Option #2.

- 1) Award the project on October 10, as is.
- 2) Making a request to SEAGO for additional funds to make up the difference between available and total construction cost. If successful, awarding on October 10 with an additional \$18,500 liability to the City.

- 3) Requesting that the project be pulled from consideration for award. Bring the plans back into our office for examination and reconsideration of the scope of the project based on the results of the bid and perhaps reducing the scope and rebidding the project at a later time.

It was moved by Councilman Seale, seconded by Councilman Lopez, and carried unanimously to seek additional funding through SEAGO to cover the excess cost between available and total construction cost for this project and, if successful, awarding on October 10 with an additional \$18,500 liability to the City.

**MOTION ADOPTED**

4. **This is a request for the City Council to approve the purchase cost of \$372,630.10 for the purchase of a 2014 Caterpillar 816F Landfill Compactor. Staff is exploring financing options that are in the best interest of the City and will make a recommendation for financing to the Council at the Regular Council Meeting on October 13, 2014.** Mr. Skeete explained the Council approved the budget to replace the Landfill compactor. He asked Eric Buckley, Utilities Director, to address the request. Mr. Buckley explained the request is to move forward with the purchase of a new compactor for the Landfill. The existing compactor (11,600 current mileage) is no longer operable and is continually in the shop for repairs. Staff is in the process of exploring financing options that are in the best interest of the City. Empire Machinery has submitted a quote for the purchase of a new compactor:

2015 Approved Capital Budget Amount	-	\$460,000.00
Sale price for 2014 816F Compactor	-	\$436,180.10
Trade-In Value of current 2009 816F Compactor	-	\$ (64,000.00)
Net Purchase	-	\$372,630.10

Mr. Skeete stated staff will explore all options including a lease purchase option. Empire Machinery has provided a quote for a new compactor with an interest rate of 3.20% for a term of sixty (60) months. Staff will provide a recommendation to the Council for a financing option to purchase the compactor at the October meeting.

It was moved by Councilman Howes, seconded by Councilman and carried unanimously to approve the purchase cost of \$372,630.10 for the purchase of a new compactor for the Landfill. **MOTION ADOPTED**

7. **CONSENT ITEMS: The Mayor and City Council may wish to consider approving Items 1 through 12 as Consent Agenda Items.** Chief Brugman explained the revised monthly Police Report now includes crime numbers and call type. Report information will be pulled from the Records Management System.

1. August 11, 2014 Council Meeting Minutes
2. Police Report
3. Building Inspection Report
4. Public Works Report
5. Business License Report for August
6. Library Report
7. Utility Consumption/Water Production Reports
8. Summary of Projects Planning and Grants Administration
9. Prosecution Report
10. Airport Report
11. Expense Report over \$5,000
12. Purchasing Card Report ending May 20, 2014

Councilman Ortega suggested removing the Purchasing Card Report from the Consent Agenda Items. Other Councilmembers disagreed. They like to review the report.

Councilman Lopez inquired about why low sodium lighting will no longer be produced. Eric Buckley explained the elimination of low sodium lighting is due to Federal Mandates. Utilities and Public works are in the process of exploring other options for lighting city streets complying with the Dark Sky Ordinance.

It was moved by Councilman Howes, seconded by Councilman Malloque and carried unanimously to approve Items #1 through #12 as Consent Agenda Items as published. **MOTION ADOPTED**

**8. CONSENT RESOLUTIONS:**

1. **It is recommended that the City Council approve and adopt Resolution Number 14-036 accepting the canvass of the Primary Election held August 26, 2014.** City Clerk, Georgia Luster, read the Title and Number of Resolution Number 14-036.

It was moved by Councilman Ortega, seconded by Councilman Howes, and carried unanimously to approve and adopt Resolution Number 14-036 accepting the canvass of the Primary Election held August 26, 2014. **MOTION ADOPTED**

**9. CONTRACTS, AGREEMENTS, BIDS:**

1. **Consider approving Terms of Engagement with the Law Firm of McCarter & English, LLP to provide legal and business services to the City of Safford involving its participation in the natural gas industry, including representation in regulatory and transactional matters.** Eric Buckley, Utilities Director, explained back in 1986 the City of Safford joined the El Paso Natural Gas Municipal Customer Group to maintain a

reasonable supply of natural gas at the lowest reasonable rate for the City of Safford. At that time, Miller, Balis and O-Neil was authorized to bill directly through the Group. John Gregg, will be the lawyer at the firm with McCarter and English, LLP, who will represent the Group.

It was moved by Councilman Malloque, seconded by Vice Mayor Bingham, and carried unanimously to approve the Terms of Engagement with the Law Firm of McCarter & English, LLP to provide legal and business services to the City of Safford involving its participation in the natural gas industry, including representation in regulatory and transactional matters. **MOTION ADOPTED**

2. **Consider approval of, and authorization of the Mayor to execute Second Amendment to the June 30, 2011 Power Purchase Agreement by and between Sempra Generation, LLC and Certain Members of the Southwest Public Power Resources Group.** Eric Buckley, Utilities Director, explained the amendment is to the original agreement and the next few items are house-keeping items. He stated the request is to approve and authorize the Mayor to execute Second Amendment to the June 30, 2011 Power Purchase Agreement by and between Sempra Generation, LLC and Certain Members of the Southwest Public Power Resources Group.

It was moved by Councilman Malloque, seconded by Councilman Ortega and carried unanimously to approve and authorize the Mayor to execute Second Amendment to the June 30, 2011 Power Purchase Agreement by and between Sempra Generation, LLC and Certain Members of the Southwest Public Power Resources Group. **MOTION ADOPTED**

3. **Consider approval of, and authorization of the Mayor to execute Amended and Restated Administration and Scheduling Agreement by and among Southwest Public Power Agency, Inc. and Southwest Public Power Resources Group Participants in the Sempra Power Purchase Agreement.** Mr. Buckley stated this is document referred to as the ASA where the seller (SEMPRA) requires the buyers to assign an agent to act on behalf of the buyers. The City is contracted for 15 megawatts of capacity. Amendment changes the agent, previously AEPCO, to Southwest Public Power Agency (SPPA).

It was moved by Councilman Ortega, seconded by Councilman Malloque, and carried unanimously to approve and authorize the Mayor to execute Amended and Restated Administration and Scheduling Agreement by and among Southwest Public Power Agency, Inc. and Southwest Public Power Resources Group Participants in the Sempra Power Purchase Agreement. **MOTION ADOPTED**



Councilman Howes commented that K.R. Saline and Associates have been the consultant for the City and has always represented the City well.

4. **Consider approval of, and authorization of the Mayor to execute Southwest Public Power Agency, Inc. Intergovernmental Agreement.** Eric Buckley explained that this document basically formed the joint action agency of the PPA buyers for the purpose of managing their power purchase agreement and other electric power supply contracts. He echoed what Councilman Howes said about K.R. Saline. K.R. Saline has managed the City's purchase power for many years including Hoover Power, Colorado River Storage Power, Glen Canyon Power Supply and CRSP. The Agreement was modeled after the existing CRSP Agreement. The IGA establishes the goals, organization structures, powers and voting and procedures for the organization.

It was moved by Councilman Howes, seconded by Vice Mayor Bingham, and carried unanimously to approve and authorize the Mayor to execute the Southwest Public Power Agency, Inc. Intergovernmental Agreement. **MOTION ADOPTED**

5. **Consider approval of, and authorization of the Mayor to execute Southwest Public Power Agency, Inc. Project Agreement for the SPPA Pool.** Eric Buckley explained the Pool Agreement describes how the parties manage and schedule the majority of the participant's resources. The initial term of the agreement is for five years. It expands Safford's resource management and rate stabilization opportunities. The pooling will provide Safford with monthly management options to dispose of surplus energy or to purchase additional energy as needed to meet Safford's seasonal driven load.

It was moved by Councilman Lopez, seconded by Councilman Malloque, and carried unanimously to approve and authorize the Mayor to execute Southwest Public Power Agency, Inc. Project Agreement for the SPPA Pool. **MOTION ADOPTED**

6. **Consider approval of, and authorization of the Mayor to execute Mutual Confidentiality Agreement with Sempra U.S. Gas & Power, LLC.** Eric Buckley explained the Confidentiality Agreement means future discussions regarding rates and contract information will be confidential.

It was moved by Councilman Malloque, seconded by Councilman Lopez, and carried unanimously to approve and authorize the Mayor to execute Mutual Confidentiality agreement with Sempra U.S. Gas & Power, LLC. **MOTION ADOPTED**

7. **Consider approval of Eric Buckley, Utilities Director, as the City Council's designee to serve as a Director on the Board of Directors of Southwest Public Power Agency, Inc., and Jay Moyes as the alternate designee.** Mr. Skeete explained the requested action

authorizes Eric Buckley to represent the City as the voting representative of the SPPA Board of Directors and to be involved in future discussions. It also authorizes Mr. Jay Moyes as the City's legal representative of the SPPA Board of Directions.

It was moved by Councilman Ortega, seconded by Councilman Lopez, and carried unanimously to appoint Eric Buckley, Utilities Director, as the City Council's designee to serve as a Director on the Board of Directors of Southwest Public Power Agency, Inc., and Jay Moyes as the alternate designee. **MOTION ADOPTED**

8. **This is a request for the City Council to review the proposed Intergovernmental Agreement (IGA) between the City of Safford and Graham County to furnish irrigation water to the County for use at the Graham County Regional Park Facility and provide guidance to staff.** Mr. Skeete reminded the Council that discussions with Graham County have been ongoing regarding the City of Safford providing irrigation water to the County Park according to a twenty-five year agreement that expired October, 2013. This Agreement allowed for the City to provide up to 100 acre feet at a contracted price of \$0.12 per thousand gallons. He stated Graham County is attempting to reduce their dependency on potable water, and has recently constructed two wells and a reverse osmosis system to filter out impurities in the water to allow it to be used as an alternative to the total dependency on the City Water system. This contract proposes to charge Graham County a fee of \$1.75 per thousand gallons up to the first 40 acre feet and then a 25% increase for every thousand gallons used after that allotment. Graham County is requesting the Council consider a longer commitment and consider a five-year MOU that may be terminated by 90 days written notice by either party.

Mr. Skeete stated negotiations included terms that required Graham County to upgrade the Park's water system, provide a master plan for the Park, and to provide a Plan for repairing/inspecting the irrigation system to include storage capacity. However, Graham County excluded those requirements from this MOU.

The Council stated it is their intention to work with Graham County and wish to achieve a beneficial agreement for both the City and the County. However, with the uncertainty of water situation, the Council prefers to establish a shorter term of the MOU.

It was moved by Councilman Seale, seconded by Councilman Malloque and carried unanimously to approve the Memorandum of Understanding (MOU) between the City of Safford and Graham County to furnish irrigation water to the County for use at the Graham County Regional Park Facility, modifying #1 of the MOU, *the duration of this MOU shall be (for one year) from July 1, 2014 until June 30, 2015.* **MOTION ADOPTED**

**10. MEETINGS/ACTIVITIES HELD OR TO BE HELD BY COUNCIL OR CITY STAFF:**

Richard Ortega: Attended SEAGO meeting last Friday. He encourages local entities to start discussions with neighboring counties to aggressively promote travel/tourism.

Mayor Gibbs: Mexican Consulate in Douglas will be celebrating Mexican Independence Friday, September 12<sup>th</sup> from 6-9 p.m.

Friday, September 12<sup>th</sup>, legislative committee meeting on the environment holding Public Forum. Representative Frank Pratt will be speaking on EPA standards/regulations setting limits on carbon dioxide emission at targeted industries and facilities. (Apache Generating Station, AEPCO)

City Manager Skeete introduced Mr. Terry Quest, the new Finance Director.

**11. COUNCIL OR STAFF REQUESTS FOR AGENDA ITEMS: NONE**

**12. FUTURE MEETINGS/ANNOUNCEMENTS:**

- September 22, 2014 Council Work Session
- October 13, 2014 Regular Council Meeting
- October 27, 2014 Council Work Session

**13. CITIZEN COMMENTS ON NON-AGENDA ITEMS: NONE**

**14. ADJOURN:** It was moved by Vice Mayor Mary Bingham, seconded by Councilman Howes, and carried unanimously to adjourn the meeting at 8:00:21 p.m. **MOTION ADOPTED**

APPROVED:

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Wyn "Chris" Gibbs, Mayor  
City of Safford

ATTEST:

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Georgia Luster, MMC  
City Clerk

STATE OF ARIZONA     )  
  )   ss  
County of Graham     )

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the Special Council Meeting Minutes of the Safford City Council, Graham County, Arizona held Monday, September 8, 2014, and approved at a Regular Council Meeting on Monday, October 13, 2014. I further certify the meeting was duly called, held and that a quorum was present.

October 13, 2014

Date:

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Georgia Luster, MMC, City Clerk