

CITY OF SAFFORD • CITY COUNCIL WORK SESSION • FRIDAY, JANUARY 25, 2019 at 9:00 am
MEETING LOCATION: SAFFORD LIBRARY PROGRAM ROOM • 808 S. 7TH AVE SAFFORD, ARIZONA
“The mission of the City of Safford is to make Safford a great place to live, work, and visit”

- 1. WELCOME AND CALL TO ORDER:** (Reminder: Please turn off cell phones)
- 2. ROLL CALL:**
- 3. MAINTENANCE OF PARKS: (INFORMATION/DISCUSSION)**
- 4. COUNCIL MEETING PROTOCOL/CODE OF CONDUCT: (INFORMATION/DISCUSSION)**
- 5. CONSTRUCTION OF RETENTION BASIN/PARK (10TH STREET): The City Public Works Department will design and construct a retention basin/park on the newly acquired land at 10th Street. Possible options could include: **(INFORMATION/DISCUSSION)**
 - A playground with a baseball diamond and soccer goals.
 - P/W storage facility.
 - Could include a drywell to recharge some of the water depending on the soil’s condition.
 - Possibly trade the approximately 20k sq. ft. in the canal to the owner of the property on the southwest corner of 10th and 10th. Acquiring this area is not necessary for the City to accomplish its goal of water retention and discharge into the canal.
 - Funding for this project could come from either the general fund or the Street/HURF funds. The City could also apply for community development grants from Freeport or United Way or any combination.**
- 6. CHAMBER OF COMMERCE AND ECONOMIC DEVELOPMENT GROUP RELATIONSHIP: The City’s contract with the Chamber provides the following: **(INFORMATION/DISCUSSION)**
 - The City will appropriate \$20,000 per year of the Transient Occupancy Tax for specific City of Safford centered programming like:
 - The purchase of an electronic bulletin board, with City receiving a minimum of 90 minutes of promotional or PSA announcements daily.
 - The City will provide an electronic link to be included on the Chamber Website directing potential business to specific information about doing business in Safford.
 - The Chamber will make available to the City at no additional cost, Chamber produced marketing materials to assist in the attraction and retention of companies to Safford.
 - The Chamber will include at least a quarter page advertisement of the City of Safford in any Chamber-produced marketing magazine, a smaller reference would be acceptable in other printed material.
 - The City agrees to appropriate 50% of the remaining Transient Occupancy Tax collected to the Chamber.**
- 7. REGIONAL ECONOMIC DEVELOPMENT GROUP: The Regional Economic Development Group is currently being rebuilt and no funds were budgeted for this group this year. However, with the completion of the “Targeted Industry Study” and the “Opportunity Zone” designation in the area this year, we may be asked to assist in the establishment of an office. City Manager Skeete’s recommendation will be for some small amount. **(INFORMATION/DISCUSSION)****
- 8. POLICE STATION - LOCATION AND FUNDING: (INFORMATION/DISCUSSION)**

- The offer to purchase the old County Jail site is still on the table. This could be the most convenient location but could also be a costly proposition to construct.
- A second alternative would be to utilize the land purchase at 14th Avenue North of HWY-70 to design and build a new facility from the ground up. This could be done in conjunction with a developer or independently.
 - This project would be eligible for General or Secondary Assessment Bond funding but subject to a bond authorization election approval.
 - An alternative would be to issue a Revenue Bond at a slightly higher interest rate without a bond election.
 - The City's General Fund could support about a \$4 million bond with a 25-year repayment schedule.

9. FIRE STATION – LOCATION: (INFORMATION/DISCUSSION)

- The PW Yard-2 on Central and 9th is an ideal location for a future Fire Station.

10. EFFLUENT WATER - ALTERNATIVE USES: (INFORMATION/DISCUSSION)

- Suggestions for the alternative use of the effluent water:
 - Facilitate getting effluent water to EAC (XX % of the water sold to EAC is used for irrigation).
 - Facilitate getting effluent water to the irrigation district for use on the farms.

11. GAS – RESET SERVICE AREA: (INFORMATION/DISCUSSION)

- Work with Graham County Electric Cooperative to reset the service area for the Gas Utility and possibly take over the water service area west of Thatcher.

General information on Gas:

- The City's Gas Utility Division serves approximately **3,550** customers with sales of just over \$2 million per year.
- **147** of these customers are outside the City limits mainly to the east of the City.
- The average collection for the last two years from these customers is approximately \$84,000 per year.
- In 2007, when the electric service area boundaries were being realigned, discussions were also held on possibly realigning the service area boundaries for gas. For unknown reasons, the gas realignment was not completed.
- Graham County Utilities serves approximately **40** customers within the City limits
- The attached map shows; the City limits in blue, the proposed service boundaries considered in 2007 in red, and a new proposed service area in yellow.

City Manager Skeete would like to begin a conversation with the Graham County Electric Coop to see what it will take to realign these boundaries.

12. WATER - General information about the system: (INFORMATION/DISCUSSION)

- The City owns and operates a water system that serves over **8,100** customers in the City of Safford, the Town of Thatcher and the immediate County area to the west including "Central".
- The City's current budgeted operating cost is \$4.45 million and the five-year capital budget system wide is slightly over \$20 million.
- Last year the average cost of water production was \$3.75 per 1000 gallons.
- The City owns and operates 11 wells and a gravity feed water collection system in Bonita Creek producing just over 1.2 billion gallons of water per year.

- Over the last four years, the City sold an average of 1.13 billion gallons per year with the high being in 2011 at 1.264 billion gallons.

Central Water System – Background Facts

- The City of Safford has been serving this area since 1955 when we purchased the Thatcher Water Company.
- As of today, Central has approximately **280** residential and commercial accounts.
- The Central Area consumed approximately 46.1 million gallons of water in 2011 and 42.3 million gallons in 2018.
- The system consists of the following infrastructure:
 - 2,320 linear feet of 1.5–inch main line
 - 8,295 linear feet of 2–inch main line
 - 15,985 linear feet of 4–inch main line
 - 13,985 linear feet of 6–inch main line
 - 16,345 linear feet of 8–inch main line
 - 35 fire hydrants
- The age of this infrastructure ranges from 1938 to 2016 and includes a variety of piping materials.

Consideration in selling the Central portion of the water system to the Cooperative

Pros:

- A reduction of our service area without any negative impact on our water rights or current supply.
- Future cost avoidance as it relates to capital upgrades and maintenance.
- The connection of the two utility systems allows for possible emergency assistance in the future should the need arises.
- Provides instant capacity to serve potential customers within the City limits without additional production capital investment.

Cons:

- Sudden reduction in cash flows of approximately \$215,000 per year.

Analysis:

- This would reduce the total water sold by the City by approximately 42 million gallons per year.
- The value of sales/revenue loss per year to the City would be approximately \$215,000.
- This course of action would need to be approved by the Arizona Co-operation Commission.

13. Contract Services: (INFORMATION/DISCUSSION)

- 1. Wastewater Treatment Plant** - The services for the wastewater treatment plant is currently being provided by Inframark.
 - Inframark manages the daily operations of the plant with three regular full-time employee and management oversight from the Az Regional Manager.
 - Inframark is entering the second year of a two-year contract with the City. The contract is expected to increase by 3% to an overall cost of approximately \$458k.

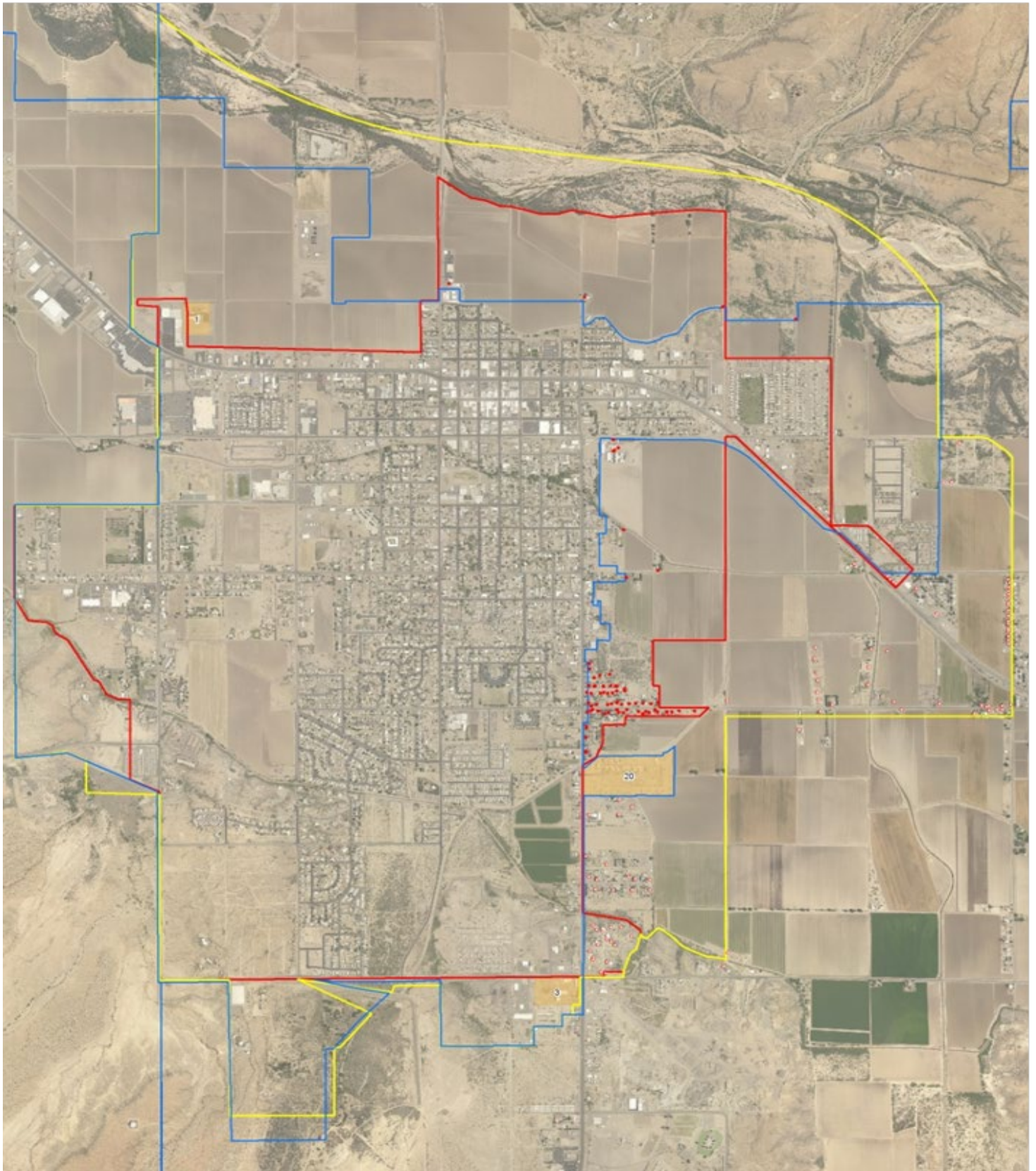
- 2. Health Insurance**

14. **WILL SERVICE LETTERS – DEVELOPERS:** “Will serve letters” to developers from the water division is required by the State Land Department. An issue with this subdivision was conflicting engineering reports on the level of service. **(INFORMATION/DISCUSSION)**
15. **ADJOURN:**

Tamara Webster, CMC, Deputy City Clerk

Posted: January 24, 2019

*In accordance with Section 2.04.120 of the Municipal Code of the City of Safford, and Arizona Revised Statutes §§38-431.01 et seq., and 38-431.02 et seq., notice is hereby given to the members of the general public that the City of Safford will hold the above Council Meeting. Members of the City of Safford Council may attend either in person or by telephone conference call. The City Council reserves the right to take action upon any item on the agenda. **DECLARATION ON CONFLICT OF INTEREST:** Council members and staff have a right to declare a conflict of interest. The declaration of a conflict of interest must be made prior to discussion of any agenda item in which Council members or staff member determine they have a conflict of interest. The Council may adjourn at any time into executive session. Meeting Agendas are available on the city's website at: www.cityofsafford.us.*



Legend

- Gas Meter Outside Proposed 2007
- Gas Meter Outside City Limits
- Safford City Limits
- Proposed Gas Boundary
- Proposed Gas Boundary 2007
- Graham County Utilities Gas Meter Area

Safford Gas Meters Outside Proposed 2007 :	88
Safford Gas Meters Outside City Limits Within Proposed :	77
Total Safford Meters Outside City Limits :	165
Graham County Utilities Gas Meters Inside New Proposed Area : 24	