

anthem community council

Special Meeting of the Board of Directors
October 12, 2017
Special Session at 4 p.m.
Anthem Civic Building
3701 W. Anthem Way
Community Room

MEETING MINUTES

Members Present:

Roger Willis, President
Bob McKenzie, Vice
President
Dino Cotton, Secretary
Terry Mullarkey, Treasurer
John Balzer, Director
Ryan Halleran, Director

Members Absent:

Rick Kesselman

Others Present:

Jenna Kohl, Community Executive Officer
Neal Shearer, Community Operations Officer
Doug Greenstein, Community Financial Officer
Michele DeMichele, Special Events Director & ACB Operations
Dave Fermoile, Community Center Director
Jamie Flores, Graphic Design & Web Manager
Jonathan Ebertshauser, Legal Counsel – via phone
Dawn Dworak, Management Analyst
Kim Bodary, Recording Secretary

CALL TO ORDER

President Willis called the Work Session to order at 4:02 p.m. and recognized those in attendance.

ESTABLISH QUORUM

President Willis established a quorum with six Board members present.

ADOPT AGENDA

Vice President McKenzie made a motion to amend the agenda and move item 4D to 4A. Treasurer Mullarkey seconded. Voting took place; the motion passed unanimously.

NEW BUSINESS

A. Discuss New Proposed Agreement with the Anthem Area Chamber of Commerce

Ms. Kohl stated at the Board's special meeting in August, the Board considered a proposal to provide in-kind space at the Civic Building to the Anthem Area Chamber of Commerce for their monthly meetings, plus a monetary donation to their Business Awards Gala, in exchange for an opportunity to present the ACC's business awards at that gala. Because a majority of the Board did not support the agreement due to equity and other reasons, the Board directed staff to plan to present the ACC's business awards at another venue, and to purchase a table at the gala for ACC Board and staff to attend, in order to represent the ACC and support the Chamber.

Ms. Kohl further stated we updated the Chamber and the ACC's Economic Development Committee about this decision, and there was interest on the part of several persons involved in the Chamber and the EDC to come up with a proposal that would meet the needs of all parties. An updated proposal was presented to the Board for consideration; Chamber leadership supports this proposal.

President Willis stated the new proposal doesn't reflect any significant changes and his recommendation is that we do not consider the new proposal and there were no objections.

Director Halleran suggested that instead of not considering the Chamber's proposal, he suggested that the Board come up with some ideas and inform the Chamber what we would like to see in a proposal.

Director Balzer stated we are declining this proposal because of fairness to those other people who use the requested room and pay rental fees, and the inequity of the request.

B. Consider Request from EPCOR for Sale of ACC Land for a Water Hauling Station

[Director Halleran stated that he has a conflict of interest with this topic and therefore recused himself from the discussion and vote.]

Troy Day from EPCOR presented the Board with EPCOR's request to install a water hauling station on ACC property. He shared that elected officials and New River and Desert Hills residents approached EPCOR with a request for EPCOR to help the residents of New River and Desert Hills impacted by the City of Phoenix's decision to close off access to Phoenix water. Mr. Day further stated that these residents rely on private wells (many of which are no longer producing water) and water hauled via trucks, so this will have a big impact on them.

Director Balzer inquired where EPCOR is looking for land, and Mr. Day stated they would like to purchase at least one acre of land, preferably on the west side of the wash off Desert Hills Dr. Director Balzer inquired on EPCOR's long-term plan and Mr. Day stated this has no end date as of now.

Director Balzer inquired if there is an option to request more allocation of water, and Mr. Day stated the water is not part of the Ak Chin supply, but will be from EPCOR's recharged water source. Mr. Day further stated they estimate using about 30,000 gallons a day, which is about 33 acre-feet per year.

Treasurer Mullarkey asked why EPCOR is being asked to resolve this, and what EPCOR's interest is in pursuing this option. Mr. Day responded that EPCOR been asked by several elected officials to look into this to see if they could help, and that it is not a money generator for EPCOR. Mr. Day further stated it's been priced appropriately and it will not affect Anthem water rates.

President Willis stated he and Anthem residents are very concerned with the new water rate case, especially if they approve stand-alone rates, which will cause a significant increase for Anthem residents. We are concerned about how this project will impact that case.

Treasurer Mullarkey inquired as to who regulates water haulers; Mr. Day stated Maricopa County does and that they have to be certified.

Vice President McKenzie inquired about the type of water that will be used, and Mr. Day stated it is recharged reclaimed water that will be used at this station.

Secretary Cotton inquired why the location is west of the wash; Mr. Day stated they would have to dig deeper if they have to run pipe under the wash, which will be costlier. Secretary Cotton inquired if special permits would be required and Andrew Brown, EPCOR director of engineering, stated we would need a permit and it can take up to 18 months to run pipe under a wash.

Secretary Cotton inquired if this new station will affect the current water pressure; Mr. Day stated it would not, but if it did, we would be able to regulate this and adjust pressure. Also. EPCOR can remotely shut the valve down if there are any issues.

Secretary Cotton inquired if EPCOR leases any land now, and if not, would they be open to leasing. Mr. Day stated they own all their land and while they prefer to purchase, they are open to leasing land.

Director Balzer inquired about water hauling truck traffic on Desert Hills Drive; Mr. Day stated there would be two filling ports so that trucks should not have to wait long.

Special Meeting Minutes
October 12, 2017

Director Balzer inquired if EPCOR would be surveying the local residents for their opinion; Mr. Day stated they aren't sure where the station would be going yet. The station would have a block wall surrounding it so it will be as unobtrusive as possible with no impact to Anthem residents.

Treasurer Mullarkey inquired where the fire department gets their water from and would there be issues with full water trucks and fire department calls. Daisy Mountain Fire Chief Nichols stated that the water for the Desert Hills Fire Station adjacent to the proposed land is from a well and he has no concerns on any issues at this time.

Vice President McKenzie inquired about how big the water hauling trucks are; John Hornewer, owner of Rio Verde Water Hauling, stated they can carry 2,000-6,000 gallons of water. Mr. Hornewer stated the City of Scottsdale let them use a hauling station last year, which worked out fantastic. He states that people's lives are at stake and the challenge is very real. Mr. Hornewer further stated that if their system is shut down with nothing to transition to quickly, the challenge is not getting the water, but rather keeping up with the demand as the distance - and therefore time to haul the water - increases. Mr. Hornewer stated we need to make this work, and that a good example of a successful water hauling station is at Jomax and Pima, which runs very efficient and smooth.

Secretary Cotton inquired who delivers to New River and Desert Hills currently; Mr. Hornewer stated water companies have been servicing these areas for over twenty (20) years and that water was provided by the City of Phoenix.

President Willis wanted to confirm that haulers would not be allowed on Anthem streets. Mr. Day stated that EPCOR would put terms in the agreement for this. President Willis inquired if the block wall surrounding the station would keep noise and dust away from Anthem residents, and Mr. Day stated yes. President Willis inquired if the location is flexible and Mr. Day stated yes, but they prefer west of the wash. President Willis inquired if EPCOR would accept a lease instead of a purchase and Mr. Day believes so, but the business items of the lease are important. President Willis wanted confirmation that this will not affect the current rate case, as the fee for the water haulers is self-funded and Mr. Day stated that is correct. President Willis inquired if the current treatment plant has the capacity to meet the additional demand, and Mr. Day stated yes. President Willis inquired if the rate in their letter of \$9.55 per 1,000 gallons includes infrastructure, and Mr. Day stated this rate allows for the payment of the infrastructure and all operation and maintenance costs. President Willis stated that this rate of \$9.55 per 1,000 gallons is more than double what an Anthem resident pays.

Vice President McKenzie inquired if the Arizona Corporation Commission regulates the price, and Mr. Day stated yes and that EPCOR has to justify those costs.

Director Balzer inquired about the trailhead; Mr. Day stated they are prepared to reroute the trail around the perimeter of the facility if needed, but was unaware there is a governing body (Maricopa County) that they have to go through for approval.

Robert Roy Britt, In and Out magazine editor, inquired about recharging; Mr. Day stated the recharge facility is on the other side of I-17, so there will be no impact as we are recharging over 300 acre-feet-per-year, and only taking 33 acre-feet.

Treasurer Mullarkey stated that the water supply is at jeopardy because of the density of homes, so a long-term solution would be that the County should restructure development requirements. Julie Elliott, resident of New River, stated the County looks to state laws on development of land and there are a multitude of issues to deal with.

Ms. Kohl stated staff's recommendation:

In Light of the Actions of the City of Phoenix, and In Support of Our Neighbors in New River and Desert Hills, Consider Approval of Support for the Water Hauling Station Concept, and Direct EPCOR and Staff as Follows:

- Determine the appropriate location for the water hauling station that has minimal impact to neighboring residents.
- Work with ACC's legal counsel to develop a lease agreement for a period of twelve years for the water hauling station. The lease agreement should include parameters such as operating hours for the hauling station, and the design of the project must go through the ACC's design review process.
- EPCOR shall provide appropriate modifications to the site in order to screen Anthem residences from visual impact, noise and dust from the operation of the water hauling station.
- Work with ACC's legal counsel to take appropriate steps to convey, either via lease or sale, only the necessary portion of the parcel in question.
- EPCOR must work with Pulte to secure their approval (and necessary documentation) for this project.
- EPCOR must work with Maricopa County to gain their support, in writing, and to address any concerns on the part of the County related to the Maricopa Trail and minimizing impact on the trail and its users.
- EPCOR shall design the station to address any concerns or requirements of Maricopa County and the ACC. This may include fencing and a locked/controlled access gate.
- EPCOR must satisfy any additional agencies, such as the Arizona Corporation Commission if applicable, with jurisdiction over this parcel and project, as it relates to this project. We also strongly urge EPCOR to work with the Daisy Mountain Fire District to address any concerns that they might have.
- EPCOR must demonstrate that New River and Desert Hills residents support this project.
- No truck traffic related to delivery of water from the hauling station to non-Anthem properties is allowed through the Anthem community, and EPCOR must include this requirement in their agreements with the haulers that are approved to use the station.
- The station shall be for hauling water to existing residents of New River and Desert Hills only, not for any future development. [The Board and EPCOR may wish to discuss limits on water allocations instead.]
- The agreement and project must result in NO negative impact on Anthem ratepayers at any time. ACC will retain the right to revoke any agreement if any negative impacts are determined.
- EPCOR shall propose a lease rate that is fair and reflects an administrative cost for ACC oversight.
- All expenses related to this project shall be paid by EPCOR, including legal review, excluding ACC staff time.
- EPCOR must provide notice to property owners adjacent to the parcel of the project and the Oct. 25 ACC Board meeting.
- Findings and documentation should be presented to the Board at the Oct. 25 Board meeting, if available.

The Board invited resident comment:

- Ron Jerich, resident, stated he didn't think EPCOR did a good job providing residents with information, inquired who would control who is allowed to get water from this proposed station, and he's concerned about the upkeep of the station.
- Ron Bentley, New River resident, thanked EPCOR and the Board and suggested Anthem send a message to the county on new construction permits by helping existing homes only, and that new homes would be forced to pay higher prices for water delivery.
- Janet Curry, New River resident, stated her concerns that she is on a fixed income and can't afford an increase in water costs, and also thanked EPCOR and the Board.
- Debby Rypkema, New River resident, thanked EPCOR and the Board for their help and support.
- Jeff Baldwin, homeowner in Anthem and Desert Hills, stated his concern with property values and asked that the Board and EPCOR consider something quickly.
- Keith Turner, New River resident, stated there is much stress amongst everyone and this affects everyone, including Anthem, and he is concerned over increased water costs.
- Laurie Ricci, New River resident, stated she is extremely worried about rising water costs, as well, and that residents are looking into other solutions such as incorporation or forming a co-op or water district.
- Waka Ofafa, Anthem resident, stated he's in support of helping our neighbors, but we need an answer from the City of Phoenix and data and information to make the best decision.

President Willis stated it was encouraging to hear from residents who are looking into long-term solutions.

Director Balzer stated that the Board is trying to find out all the information on this issue by digging deeper and clarified that he isn't trying to be negative, but rather trying to figure out the long-term effects.

President Willis stated that the City of Phoenix is cutting off water because their statutes don't allow for this use, and that we just heard about this a few months ago so we are in crunch mode to help these residents. He inquired how much time is needed from EPCOR and Mr. Day stated they are pushing to complete it by the end of the year.

Secretary Cotton inquired what the alternative to the water hauling station is, and Director Halleran stated they would have to get water from Scottsdale. Mr. Day stated that it's limited where the water can come from, and he is here today to ask the Board if EPCOR can purchase ACC land. Mr. Day further stated if the ACC declines EPCOR's request, then they would look to procure property in New River, but that it would be more expensive.

President Willis stated that the ACC wants to help.

Vice President McKenzie also stated we want to help EPCOR but he expressed concerns about the rate case and other issues, and would like to see EPCOR help us.

Vice President McKenzie moved, and Treasurer Mullarkey seconded, to authorize staff and legal counsel to move forward as described by Ms. Kohl in the recommendation (see above).

Voting took place; the motion passed unanimously with five votes and President Halleran recusing himself.

C. Consider Approval of Wine Sampling and Sales of Bottled Wine at the Farmers Market

Ms. DeMichele stated for the past four years, the Arizona Community Farmers Market Association (ACFMA) has been renting the gazebo and adjacent ramadas for their weekly market, held on Sunday mornings. This coming season, starting at the end of October, the ACFMA would like to invite a new vendor to the Anthem market - Del Rio Springs Vineyards, LLC. This vineyard is currently a vendor at other farmers' market venues in the valley. Del Rio Springs Vineyards would like to offer samples of their wine, in a one-ounce or less serving size; bottles of wine would be available for purchase. This arrangement would be considered temporary for this coming market season, giving us the opportunity to assess the arrangement. The ACC would have the right to revoke the winery vendor at any time, and staff is limiting the number of winery vendors to one.

Treasurer Mullarkey inquired if this is limited to wine and if we can limit the amount of the sampling size. Ms. DeMichele stated we are only allowing wine for this vendor at this time. Ms. Kohl stated that the vendor has to comply with all state requirements. Mr. Ebertshauser stated that the wine vendor has to obtain the liquor license.

Director Balzer stated there was no mention of extra security in the memo and Ms. DeMichele stated that the waiver was provided by the ACC's legal counsel; in a separate document, the ACC will require that the vendor provide a contained service area and have paid security monitoring of that area. Mr. Ebertshauser stated that the fencing and security are not specific requirements by the Department of Liquor; however, since they are hosting it in an open park, they likely won't get their license approved unless they submit a plan for fencing. Mr. Ebertshauser further stated they suggested the liability waiver include they provide security and fencing.

Director Halleran made a motion to approve the sampling of wine and the sales of bottled wine at the weekly farmers market, beginning Nov. 1, 2017 and continuing through the duration of their season in the summer of 2018; and authorize the CEO to sign the necessary liquor licenses. Vice president McKenzie seconded. Voting took place; the motion passed unanimously.

D. Consider Request for Additional Funding for the Community Center Remodel Project Related to County Permit Review, and Discuss Approach to Mitigating Light and Sound Concerns Re: the Fitness Room

**Special Meeting Minutes
October 12, 2017**

Ms. Kohl stated that Ms. Dworak has done extensive work on this and is spearheading this project. Staff is requesting additional funding and approval of the timeline as outlined in the memo. Ms. Kohl further stated we are looking into providing more natural light and sound insulation in the fitness room.

Ms. Kohl stated the project is now in the bid phase, with bids due Monday, Oct. 16, and a recommendation for a contractor will be proposed at the Oct. 25 Board meeting.

Treasurer Mullarkey inquired if anyone has spoken to Seth, the yoga instructor, regarding this approach. Ms. Dworak stated they have been in touch with all those who expressed concerns at the last meeting, and that we will research cost-effective options regarding the sound and lighting. Ms. Kohl stated that the options would be presented to the Board in a menu so that the Board can look at what those remedies and associated costs will be.

Treasurer Mullarkey inquired if the county can come back again with more comments and changes. Ms. Dworak responded that it is possible.

Secretary Cotton suggested that in the future, we consider avoiding "do not exceed" restrictions for such projects.

Vice President McKenzie made a motion to approve additional funding for expanded architectural services, plan review and permit fees in an amount not to exceed \$15,000, and approve staff's recommended approach and timeline as outlined in their October 4, 2017 memo. Director Balzer seconded. Voting took place; the motion passed unanimously.

There being no further business to discuss, the meeting adjourned at 5:57 p.m.

Respectfully Submitted,
Kim Bodary
On Behalf of the Anthem Community Council Board of Directors